

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

)	
In re)	
)	Chapter 9
CITY OF DETROIT, MICHIGAN)	
)	Case No.: 13-53846
Debtor.)	
)	Hon. Steven W. Rhodes
)	
)	

**CITY OF DETROIT’S OPPOSITION TO FGIC’S MOTION TO EXCLUDE
THE EXPERT OPINION OF MICHAEL PLUMMER REGARDING
DISCOUNT FACTORS**

The City of Detroit, Michigan (the “City”) opposes the Motion to Exclude The Expert Opinion Of Michael Plummer Regarding Discount Factors (the “Motion”) (Doc. # 6983) filed by Financial Guarantee Insurance Company (“FGIC”). In support of its Opposition, the City states as follows:

INTRODUCTION

1. The collection at the Detroit Institute of Arts (“DIA”) comprises over 60,000 works, covers every major sector of the art market from antiquity to the present era, and includes numerous recognized masterworks. The DIA and the City retained Michael Plummer to form an opinion on the “indicative value of the works in the DIA Collection” and the “feasibility and likely effects on the market and value realization of a sale of the DIA collection under a variety of market and



sale conditions.” Artvest Rep. ¶ 2 (Ex. A). Mr. Plummer is well-qualified to opine on these issues: he has “extensive experience in the field of analyzing art market economics, valuations, patterns and behavior” over the past 35 years. *Id.* ¶ 10.

2. Mr. Plummer computed an undiscounted gross “indicative value” for the DIA collection, but emphasized that—due to the unprecedented complexities, sheer size, and market forces inherent in any sale of the 60,000 works—such a computation does not yield the “real, net liquid value of the DIA collection should it be required to be sold.” *Id.* ¶ 34. He therefore constructed a model on real-world realization of revenues from a sale of the DIA collection. *See id.* ¶ 2.

3. As part of his model, Mr. Plummer analyzed “the discount factors” that would affect “various sale scenarios” and cause the steep decrease from the gross indicative value to the “real, net liquid value” that could actually be realized from a sale of the entire collection. *Id.* ¶¶ 34, 39. These factors include the price-depressing effects of an “immediate liquidation,” unsold works, the potential unwillingness of Christie’s and Sotheby’s to participate in such a sale due to business or reputational concerns, limits on market capacity for high-end works of art, and possible litigation delays or market controversy. *See id.* ¶¶ 41–51.

4. No other expert in the case has even *attempted* to undertake a discount-factor analysis, even though other witnesses, including Syncora’s putative expert Elizabeth von Habsburg, have agreed that such an analysis is appropriate.

In fact, those witnesses have validated Mr. Plummer's discount-factor analysis and confirmed that his identification and application of the discount factors is reliable.

5. FGIC does not challenge Mr. Plummer's gross, undiscounted valuation of the DIA collection, but instead seeks to exclude only his discount-factor analysis. *See* Mot. ¶ 1. The reason FGIC seeks to exclude this analysis is plain: FGIC's putative expert, Victor Wiener, performed an inflated (and unreliable) valuation of the DIA collection and *failed* to conduct a discount-factor analysis. As a result, Mr. Wiener's valuation is *more than nine and a half times larger* than the lowest "real, net liquid value" Mr. Plummer calculates. FGIC thus seeks to cover up the gaping hole in Mr. Wiener's opinion and to make his conclusion appear like less of an outlier by asking the Court to open up a similar hole in Mr. Plummer's analysis and to limit his testimony to a gross value that he does not believe represents the actual saleable value of the DIA collection.

6. FGIC, however, misstates the law, gives short shrift to Mr. Plummer's vast experience, and fails to mention that his discount-factor analysis rests on his experience, professionally accepted standards and practices, data regarding prior art collection sales, and industry and legal precedents. The Court should deny the Motion and admit Mr. Plummer's appropriate and reliable discount-factor analysis.

BACKGROUND

7. Mr. Plummer is an art market and valuation consultant, whose focus

over much of the past 35 years has been working with and advising major auction houses, private collectors, corporations, and art professionals on the purchase and sale of fine art and investment in fine art. *See* Artvest Rep. ¶ 12.

8. Mr. Plummer co-founded and currently serves as Chief Executive Officer of Artvest Partners LLC, a consulting firm specializing in fine art transactions and investments, including the valuation of artwork and analysis of the micro and macro art markets. Plummer Dep. 74:24–75:4 (Ex. B). Mr. Plummer regularly advises clients on the proper venues for art sales and acts as a broker for art loans, matching the right lending institution to a borrower’s needs and qualifications. *Id.* at 75:5–9, 81:25–83:6. Artvest also maintains relationships with art dealers and communicates with them regularly to obtain additional information about the state of the art market. *Id.* at 85:2–7.

9. In addition to client advisory work, Mr. Plummer and Artvest also publish widely-followed art market analyses, *see id.* at 77:19–80:23, and Mr. Plummer regularly lectures and serves on panels, including for graduate degree programs at New York University, the Appraisers Association of America, Sotheby’s Institute, and Christie’s Education, *see* Artvest Rep. ¶ 18.

10. Mr. Plummer previously was employed as the head of Christie’s Financial Services (“CFS”). Plummer Dep. 51:24–52:7. Christie’s established CFS for two principal purposes: to form sector-specific art “funds,” which would

invest in portfolios of fine artwork, and to establish a fine art lending business. *Id.* at 51:4–14, 52:10–24, 61:14–66:18. While at CFS, Mr. Plummer initiated and oversaw several such loans in amounts exceeding \$100 million, *see id.* at 67:6–18, and valued the art collateral as part of the lending process, *id.* at 52:25–56:23. He also helped to prepare Christie’s art loan underwriting manual. *Id.* at 52:13–19.

11. Before joining CFS, Mr. Plummer led two other companies serving the art industry: Fernwood Art Investments, which issued sector-specific reports on fine art market performance, *id.* at 38:2–39:2, and ArtBase, an on-line fine art trading platform, *id.* at 32:14–19. Mr. Plummer also spent 16 years at Sotheby’s, where he held such positions as Marketing Division Head for the Americas and Asia, and Business Manager for the Asian Art Division, and account manager in the treasury department (1980-84). *See id.* at 15:23–16:2, 17:7–10, 23:10–24:3.

12. DIA and the City retained Mr. Plummer to opine on the real-world value that the City could expect to realize from a sale of the DIA collection. *See* Artvest Rep. ¶ 1. To accomplish that task, Mr. Plummer and his team first calculated, based on the Christie’s Report commissioned by the City and other data, the gross “indicative value of the works in the DIA collection.” *Id.* ¶ 2(a). Mr. Plummer and his team followed a “market data approach,” which measures the range of values each value could expect to realize without regard to factors affecting the sale process. *Id.* ¶¶ 31(a)–(b). Mr. Plummer concluded that the gross

indicative value of the DIA collection was between \$2,760,978,432 and \$4,607,953,704, with a mid-range estimate of \$3,684,466,069. *Id.* ¶ 32, Table 2.

13. Because gross indicative value is not the “real, net liquid value of the DIA collection should it be required to be sold,” *id.* ¶ 34, Mr. Plummer also analyzed the “feasibility and likely effects on the market and value realization of a sale of the DIA collection under a variety of market and sale conditions,” *id.* ¶ 2(b). To conduct that analysis, Mr. Plummer identified and estimated the impact of nine real-world “discount factors” that bear on the “real, net liquid value” that DIA would actually realize in “various sale scenarios.” *Id.* ¶¶ 34, 39.

14. First, Mr. Plummer examined an “immediate liquidation” or “immediate sale” discount, which would “result in selling the DIA collection” quickly and “at a fraction of its fair market value.” *Id.* ¶ 41. Based on “the standard number used in art loan valuation” and prior industry precedent, Mr. Plummer concluded that this factor could be estimated at 50%. *Id.* ¶ 42(b).

15. Second, Mr. Plummer considered the related concept of a “blockage discount,” which “results from selling a large group of similar items in a short time.” *Id.* ¶ 43. A blockage discount is an “alternative” that “would not be applied in addition to an Immediate Sale discount, but generally supports the application of an Immediate Sale discount.” *Id.*

16. Third, Mr. Plummer analyzed the effect of “auction unsold rates, an

economic reality of the auction business” reflected in the “customary business practice to devalue a work” after it has remained unsold for some time. *Id.* ¶ 44(d).

17. Fourth, Mr. Plummer examined the possibility that Sotheby’s and Christie’s “might refuse to sell” the DIA collection “due to controversy surrounding a disposition and potential damage to their brand and relationships with the broader museum community.” *Id.* ¶ 46. Comparing sales data from Christie’s and Sotheby’s against data from “second tier” auction houses, Mr. Plummer concluded that selling through a second tier auction house would decrease the City’s actual return by 20% to 40%. *Id.* ¶ 46(c).

18. Fifth, Mr. Plummer evaluated the “capacity limitations” in the market for valuable art and concluded that selling “a large block of property into a market that exceeds its liquidity or capacity is a high risk strategy” such that “a longer term selling plan is deemed desirable in the art market.” *Id.* ¶¶ 47–48.

19. Sixth, Mr. Plummer assessed the effect of a longer-term sale on the realized value of the collection, and determined that “maximizing art asset value” from the DIA collection “requires selling over a minimum of five to eight years, which would require a present value discount.” *Id.* ¶ 49.

20. Seventh, Mr. Plummer examined the “potential impact of litigation” and—citing prior examples of museum liquidations and the Michigan Attorney General’s public statement that he would challenge any effort to liquidate the DIA

collection—concluded that the City “is likely to face formidable legal obstacles and prolonged litigation” surrounding any sale of the collection. *Id.* ¶ 50.

21. Eighth, Mr. Plummer considered the “combination of a weak market sector” and potential “controversy surrounding a museum divestiture,” which had depressed realized values of art sales in the recent past. *Id.* ¶ 51.

22. Finally, referencing the two market crashes in the Post-War and Contemporary (PWC) Sector in the last 34 years, Mr. Plummer evaluated the potential impact of another PWC “market sector crash,” which sector accounts for as much as \$586 million of the DIA collection’s gross indicative value. *Id.* ¶ 54.

23. Utilizing the discount factors, Mr. Plummer then computed, on a present-value basis, high and low potential aggregate realizations for various sale scenarios. *Id.* ¶¶ 55–57. Mr. Plummer concluded that the City would realize between \$1,145,358,000 and \$1,842,233,000 at his mid-range estimate, and between \$850,035,000 and \$1,380,489,000 at his low-range estimate, of the gross indicative value. *See id.* Tables 6-7.

24. Syncora’s putative expert, Ms. von Habsburg, testified at her deposition that the Uniform Standards of Professional Appraisal Practice (“USPAP”) and IRS regulations identify circumstances where an appraiser must apply a blockage discount in valuing an art collection. von Habsburg Dep. 107 (Ex. C). Ms. von Habsburg confirmed that it would be “appropriate to look into” a

blockage discount for an appraisal of a 60,000-work collection. *Id.* at 109. She also confirmed that several “factors” would be relevant to evaluating the actual realized value from an immediate sale of a collection. *Id.*

25. The City’s other expert, Vanessa Fusco of Christie’s, testified that Christie’s would “generally . . . apply a discount” to determine the actual value to be realized from putting an entire collection “on the market . . . all at once.” Fusco Dep. 188–89 (Ex. D). Paul Provost, deputy chairman at Christie’s, confirmed at his deposition that the 50% discount for loan-to-value in art-based lending used by Mr. Plummer is, in fact, “industry standard.” Provost Dep. 89 (Ex. E).

26. By contrast, FGIC’s expert appraiser, Mr. Wiener, used a mishmash approach to value the entire DIA collection in less than two weeks. *See* Wiener Rep. 3, 45–47 (Ex. F). In his corrected report that addressed certain acknowledged “errors” in his analysis, Mr. Wiener valued the DIA collection at \$8,149,232,354. *See id.* at 3. That valuation is *more than \$3.5 billion or about 77% more* than Mr. Plummer’s highest undiscounted gross indicative value figure, nearly four and a half times the value of Mr. Plummer’s highest “real, net liquid value” computation, and *more than nine and a half times* the value of Mr. Plummer’s lowest “real, net value” computation. *Compare id. with* Artvest Rep. ¶¶ 55–57. Mr. Wiener did not attempt to calculate the amount of money that a DIA liquidation would actually yield. *See* Wiener Rep. 3, 45–47.

ARGUMENT

27. The Court should deny FGIC's motion to exclude Mr. Plummer's expert discount-factor analysis for two reasons. *First*, Mr. Plummer's experience in the field over the past 35 years more than qualifies him to render this opinion. *Second*, Mr. Plummer's discount-factor method reflects his vast experience, industry standards, and available data and, thus, is reliable and admissible.

I. Mr. Plummer Is Qualified To Opine On His Discount-Factor Analysis

28. Federal Rule of Evidence 702 permits opinion testimony from any witness "who is qualified as an expert by knowledge, skill, experience, training, or education." Fed. R. Evid. 702. This standard is not onerous, *see Surles v. Greyhound Lines, Inc.*, 474 F.3d 288, 294 (6th Cir. 2007), reflecting that expert testimony is appropriate whenever its subject "is unlikely to be within the knowledge of an average layman," *United States v. Carson*, 702 F.2d 351, 369 (2d Cir. 1983). Moreover, "[t]he text of Rule 702 expressly contemplates that an expert may be qualified on the basis of experience." *United States v. Cunningham*, 679 F.3d 355, 378–79 (6th Cir. 2012). "Whether a proposed expert's experience is sufficient to qualify the expert to offer an opinion on a particular subject depends on the nature and extent of that experience." *Id.* at 378–79.

29. Here, the nature and extent of Mr. Plummer's vast experience easily qualify him to conduct and opine on his discount-factor analysis. Mr. Plummer has

“extensive experience” at every step of “art market economics, valuations, patterns and behavior.” Artvest Rep. ¶ 10. He is knowledgeable about the process and standards by which individual pieces of art are valued in the real world, and helps Artvest “set value for [clients] in buying and selling art” both through auctions and through private purchases and sales. Plummer Dep. 72:6–20. He also has helped set values for artwork in the context of brokering loans, both at Christie’s where he established and ran its art lending business, and now on behalf of his clients. *Id.* 52:13–56:23, 72:6–20.

30. Moreover, Mr. Plummer has specific experience in valuing large art collections. During his tenure as an executive at Sotheby’s, Mr. Plummer worked “closely with the [appraisal] experts and their valuations” to prepare “overarching evaluations” of collections of works. *Id.* at 24:13–25:4.

31. Most importantly, Mr. Plummer has gained a deep understanding of the art market as part of his consulting, advising, and lending work at Artvest and prior employers. Plummer Dep. 42:15–21. Mr. Plummer has also published Artvest Market Analyses and “lectured and been on panels for continuing education courses and graduate degree programs” at NYU, The Appraisers Association, Sotheby’s and Christie’s “on the subjects of art market performance, trends, economic factors, investment practices and structures, as well as liquidity and valuation in an opaque market.” Artvest Rep. ¶ 18.

32. This extensive experience is more than enough to qualify Mr. Plummer to perform and opine on his discount-factor analysis. *See Cunningham*, 679 F.3d at 378–79; *see also Surles*, 474 F.3d at 293–94 (expert qualified to opine on “threat assessment” based on experience working in threat management unit of LAPD); *First Tenn. Bank Nat’l Ass’n v. Barreto*, 268 F.3d 319, 332–33 (6th Cir. 2001) (expert with 50-year career in banking was qualified because his career had “exposed him” to all aspects of banking); *Berry v. City of Detroit*, 25 F.3d 1342, 1350 (6th Cir. 1994) (noting that a beekeeper may be qualified to testify as an expert on bee flight patterns based on experience of observing bees in flight).

33. FGIC does not so much as mention Mr. Plummer’s extensive experience. Instead, FGIC suggests that Mr. Plummer is unqualified because he has “no education, certification, training, or experience” in personally “conducting appraisals” of works of art. Mot. ¶ 26. Moreover, FGIC faults Mr. Plummer for not having “obtain[ed] any degrees or certifications relating to art or art lending,” written articles or books on “valuations or the art lending business,” or had “an art fund come to fruition.” *Id.* ¶¶ 26, 28. FGIC thus makes no mention of the fact that Mr. Plummer helped author Christie’s art loan underwriting *manual*, which Christie’s used for real-world art loans. *See* Plummer Dep. 59:19–60:14.

34. In all events, FGIC misses the point entirely because FGIC has not challenged any opinion of Mr. Plummer regarding appraisals or “art lending.”

Mot. ¶ 26. To the contrary, FGIC seeks exclusion of Mr. Plummer’s opinions on the discount-factor analysis, which arises well within the purview of his extensive experience with “art market economics, valuation, patterns and behavior.” Artvest Rep. ¶ 10. Moreover, FGIC’s premise that appraisal experience is somehow superior to the vast experience Mr. Plummer possesses is faulty: while an appraiser may be able to calculate the fair market value of an individual piece, an appraiser often is *unable* to determine the actual value realized from a multi-work sale under real world conditions—as Mr. Wiener, FGIC’s putative expert appraiser, was unable to do. *See* Wiener Rep. ¶¶ 3, 45–47.

35. In all events, even if FGIC’s attack on Mr. Plummer’s qualifications were even remotely relevant to the testimony FGIC seeks to exclude, no formal training, certification, or publication is required to qualify as an expert witness. *See, e.g., United States v. Winkle*, 477 F.3d 407, 415–16 (6th Cir. 2007); *Tuf Racing Prods., Inc. v. Am. Suzuki Motor Corp.*, 223 F.3d 585, 591 (7th Cir. 2000); *United States v. Stapleton*, 2013 U.S. Dist. LEXIS 160442, at *7 (E.D. Ky. Nov. 8, 2013) (“[f]ormal training is not necessarily required” and “[r]epeated firsthand observations may provide a witness the specialized knowledge and experience he needs to testify as an expert”). Mr. Plummer’s extensive experience—including his publications on the *relevant* issue of market analysis—are more than sufficient to qualify him as an expert on discount-factor analysis. The Court should deny the

Motion and admit his testimony. *See, e.g.,* Artvest Rep. ¶¶ 16–18; *Cunningham*, 679 F.3d at 378–79; *Surles*, 474 F.3d at 293–94; *Barreto*, 268 F.3d at 333.

II. Mr. Plummer’s Discount-Factor Analysis Is Reliable

36. The Court’s gatekeeping function requires it to ensure that expert testimony “both rests on a reliable foundation and is relevant to the task at hand.” *Newell Rubbermaid, Inc. v. Raymond Corp.*, 676 F.3d 521, 527 (6th Cir. 2012); *see also Kumho Tire Co. v. Carmichael*, 526 U.S. 137, 147 (1999); *Daubert v. Merrell Dow Pharms., Inc.*, 509 U.S. 579, 589 (1993). This inquiry is ““tied to the facts of a particular case”” and turns on “the nature of the issue, the expert’s particular expertise, and the subject of his testimony.” *Johnson v. Manitowoc Boom Trucks, Inc.*, 484 F.3d 426, 430 (6th Cir. 2007). “The Court’s focus is trained solely on the principles and methodology, not on the conclusions that they generate.” *United States v. Stafford*, 721 F.3d 380, 394 (6th Cir. 2013) (citation omitted).

37. Opinions resting on the expert’s “practical experiences . . . do not easily lend themselves to scholarly review or to traditional scientific evaluation.” *Barreto*, 268 F.3d at 335. Such non-scientific opinions still may be reliable even in the absence of studies, testability, peer review, general acceptance, or other factors *Daubert* identifies as potentially relevant to the reliability of scientific expert testimony. *Barreto*, 268 F.3d at 335; *see also Kumho Tire*, 526 U.S. at 150 (*Daubert* factors “may or may not be pertinent in assessing reliability” in a case).

38. *Daubert*'s gatekeeper doctrine, moreover, was "designed to protect juries" and is relaxed "in the context of a bench trial." *Deal v. Hamilton Cnty. Bd. of Educ.*, 392 F.3d 840, 852 (6th Cir. 2004). Accordingly, the Court's discretion in the admission or exclusion of expert evidence "is particularly broad in a bench trial." *United States v. Demjanjuk*, 367 F.3d 623, 633 (6th Cir. 2004); *see United States v. Kalymon*, 541 F.3d 624, 636 (6th Cir. 2008) (flexibility to admit or exclude expert testimony "is at its zenith during a bench trial").

39. Mr. Plummer's careful discount-factor analysis easily satisfies these standards for admissibility. Indeed, Syncora's putative expert, Ms. von Habsburg, has confirmed that it would be "appropriate to look into" a blockage discount for an appraisal of a 60,000-work collection and that that several "factors" would be relevant to evaluating the actual realized value from an immediate sale of a collection. von Habsburg Dep. 107. The City's other expert, Ms. Fusco of Christie's, likewise confirmed that Christie's would "generally . . . apply a discount" to determine the actual value to be realized from putting an entire collection "on the market . . . all at once." Fusco Dep. 188–89.

40. Mr. Plummer is the *only* witness in this case who has applied such an "appropriate" discount-factor analysis. von Habsburg Dep. 107. FGIC, moreover, does not independently challenge Mr. Plummer's application of the market capacity, market disfavor, or PWC market crash factors. *See* Mot. ¶¶ 12–24. And,

as explained below, Mr. Plummer’s analysis of each of the six discount factors FGIC challenges is reliable. The Court should deny the Motion.

A. Mr. Plummer’s Immediate Liquidation And “Blockage” Discounts Are Reliable

41. Because “[a]n immediate liquidation of the art collection will result in selling” it “at a fraction of its fair market value,” Mr. Plummer sought to calculate an immediate liquidation discount. Artvest Rep. ¶ 41. Mr. Plummer also considered the related concept of a blockage discount, which “results from selling a large group of similar items in a short time.” *Id.* ¶ 43.

42. To support his analysis, Mr. Plummer noted that the “standard” immediate liquidation discount used in “art loan valuation”—or, in other words, the rate lenders in real-world commercial transactions use to compute their expected actual realized value from an immediate foreclosure sale of art pledged as collateral—is 50%. *Id.* ¶ 42(b). Mr. Provost independently verified this 50% standard discount. *See* Provost Dep. 89. Mr. Plummer also recounted the experience of the Pierre Matisse Gallery, whose entire inventory was sold by the Matisse estate to Willaim Acquavella and Sotheby’s in one transaction “at a discount to its ultimate market value of 45%.” *Id.* ¶¶ 41(a)–(d). Mr. Plummer thus used a 50% discount factor to compute the net actual value that the City could realize from an immediate sale of the DIA collection. *See* Artvest Rep. ¶¶ 42, 55–57. Mr. Plummer’s reliance on his experience, the industry standard, and the data

from the Pierre Matisse Gallery renders his use of the immediate liquidation and blockage discounts reliable. *See Barreto*, 268 F.3d at 335; *Daubert*, 509 U.S. at 593–94 (referring to “general acceptance”).

43. FGIC *concedes* that prior cases have applied blockage discounts to determine the actual value of an art collection. *See, e.g.*, Mot. ¶ 15 n.6 (citing *Oleg Cassini, Inc. v. Electrolux Home Prods., Inc.*, No. 11 CIV 1237, 2014 WL 1468118, at *3 (S.D.N.Y. Apr. 15, 2015)). FGIC, however, contends that courts have limited such a discount to “20 percent.” *Id.* FGIC simply misstates the law and overlooks cases that have applied much higher blockage discounts. *See, e.g.*, *Janis v. Comm’r*, 469 F.3d 256, 263 (2d Cir. 2006) (discussing the application of discounts between 37%-60% to the fair market valuation of artworks).

44. FGIC thus falls back on challenging Mr. Plummer’s use of the 50% discount, but it misrepresents Mr. Plummer’s report and the facts. *First*, FGIC states that Mr. Plummer “assumes that a sale of the DIA collection *would involve* an immediate sale of the entire collection.” Mot. ¶ 12 (emphasis added). To the contrary, Mr. Plummer considered, as *one* scenario, the effect on the City’s return *if* the entire DIA collection was immediately liquidated. *See* Artvest Rep. ¶¶ 55–57. Mr. Plummer applied the immediate liquidation factor *only* to that scenario, and not to other scenarios involving a longer-term sale of the collection. *See id.*

45. *Second*, FGIC asserts that Mr. Plummer “provides no reliable basis to

support his use of a 50 percent discount rate” because he “had no studies to support his figure,” “could not identify any private or publicly available data” for it, and “[a]t best” identified only the 25% to 46% IRS blockage discount. Mot. ¶¶ 12–14. FGIC thus wholly ignores Mr. Plummer’s invocation of the 50% immediate liquidation discount standard “used in art loan valuation.” Artvest Rep. ¶ 42. Moreover, FGIC mischaracterizes Mr. Plummer’s deposition testimony, which concerned whether he had any “other” studies or “anything else” not disclosed in his report to support the 50% immediate liquidation discount. *See* Plummer Dep. 246:10–14; 252:25253:9; 252:17–20; 255:4–16; 256:4–9 (quoted at Mot. ¶¶ 12–13). And, in all events, such “other studies” and testable data have no bearing on the admissibility of Mr. Plummer’s non-scientific opinion borne of “practical experience.” *Barreto*, 268 F.3d at 335; *see also Kumho Tire*, 526 U.S. at 150.

46. *Third*, to the extent that FGIC does address the 50% industry standard, it states that Mr. Plummer somehow “did not explain . . . how such art loan valuations are analogous to liquidation or blockage discounts.” Mot. ¶ 15. Yet Mr. Plummer explained in the very deposition excerpt that FGIC cites that the 50% discount in art loan validation *is* an immediate liquidation discount, *see* Plummer Dep. 248:4–14 (quoted at Mot. ¶ 15); *see also* Artvest Rep. ¶ 42, as Mr. Provost also confirmed, *see* Provost Dep. 88–89.

47. *Finally*, FGIC mischaracterizes the facts when it attempts to

distinguish the 45% discount on the sale of the Pierre Matisse Gallery collection. FGIC incorrectly states that the Matisse collection “was an art loan, not a liquidation,” Mot. ¶ 15, when, in fact, Mr. Aquavella and Sotheby’s “acquir[ed] the entire inventory” of the Gallery in one transaction, Artvest Rep. ¶ 41. The 45% discount there is thus highly relevant here, and strongly supports Mr. Plummer’s adherence to the 50% standard. *See id.*

B. Mr. Plummer’s Unsold Rates Discount Is Reliable

48. Mr. Plummer explained that “unsold rates” are “an economic reality of the auction business.” Artvest Rep. ¶ 44(a). Mr. Plummer noted that such rates “vary by category, but tend on average to be in the range of 20% or more.” *Id.* For example, in 2013, one of the highest unsold rates at Christie’s and Sotheby’s was 19th Century European Paintings at 42%. *See id.*

49. Mr. Plummer used the 2013 Christie’s and Sotheby’s data to determine the unsold rates for the “top four sectors of the DIA collection,” which account for 82.8% of the total value of the collection. *Id.* ¶ 44(b). Those rates ranged from 20% to 34%. *See id.* ¶ 44(c) & Table 4. Mr. Plummer then applied a 25% unsold rate to the balance of the collection. *See id.* The total or average unsold rate he applied to the DIA collection was 26%. *See id.*

50. FGIC’s claim that Mr. Plummer applied this 26% discount rate “without further explanation,” Mot. ¶ 18, is therefore simply baffling because Mr.

Plummer explained the steps and data he utilized to arrive at that figure, *see* Artvest Rep. ¶ 44 & Table 4. And Mr. Plummer was not tethered to the “customary business practice” of using a 20% unsold rate, Mot. ¶ 18, because more specific data was available to him, Artvest Rep. ¶ 44 & Table 4.

C. Mr. Plummer’s Christie’s and Sotheby’s-Related Discount Is Reliable

51. Mr. Plummer explained that, as the world’s two leading auction houses for fine art, Christie’s and Sotheby’s are “the two optimal selling venues for maximizing the value” of the DIA collection. *See* Artvest Rep. ¶¶ 45–46. This reflects the fact that Christie’s and Sotheby’s guarantee the art they sell and facilitate access to the wealthiest art buyers. *See id.* ¶¶ 29, 45.

52. Mr. Plummer cited news reports documenting intense public criticism of Christie’s for its agreement simply to value the DIA collection in this case. *See id.* ¶ 46. To wit, at his deposition Mr. Provost confirmed that Christie’s “was certainly feeling some of the negative press that was out there” regarding its valuation of the DIA collection. Provost Dep. 141. Mr. Plummer also pointed out that Sotheby’s holding company was based in Detroit until 2006. *See* Artvest Rep. ¶ 46. Based on these facts, Mr. Plummer reasoned that Christie’s and Sotheby’s “might refuse to sell” the DIA collection “due to the controversy surrounding a disposition and potential damage to their brand and relationships with the broader Museum community,” with whom they have regular business dealings. *Id.*

53. In order to quantify the impact from such a scenario, Mr. Plummer “referred back” to a prior paragraph in his report where he had documented the difference in prices for comparable works at Christie’s and Sotheby’s on the one hand, and second-tier auction houses on the other. *Id.* ¶ 46(c). For example, the price differential for William Godward works sold at Sotheby’s and Bonham’s ranged from 54.3% to 82.7%, while the price differential for Andy Warhol works sold at Christie’s and Phillips ranged from 11.7% to 67.7%. *See id.* ¶ 29(b). In fact, Mr. Plummer explained that the Christie’s-Sotheby’s market “duopoly” is so pronounced that one auction house owner decided to bypass his own auction house and sell his collection at Christie’s in order to maximize his return. *See id.* ¶ 29(d).

54. Based on these facts, Mr. Plummer estimated “that the impact of selling the DIA collection through an auction venue other than” Christie’s and Sotheby’s “would result, at a minimum, in a loss of value of 20% to 40%.” *Id.* ¶ 46(c). Mr. Plummer applied the more conservative 20% figure in his calculations. *See id.* ¶ 55 & Tables 6–7. This factor thus reflects market forces and Mr. Plummer’s experience and is reliable. *See Barreto*, 268 F.3d at 335.

55. FGIC suggests that Mr. Plummer “plucked this discount rate out of thin air” because he “did not speak to anyone at either auction house to substantiate” it. Mot. ¶ 19. Yet FGIC notes that Mr. Plummer *did* talk to someone from the auction house in a social setting but declined to divulge the identity of the

individual. *See id.* This hardly makes Mr. Plummer’s conclusions less reliable, and FGIC’s expert, Mr. Wiener, repeatedly protected similar confidences at his own deposition. *See* Wiener Dep. 30–34, 118–19, 181, 201–03 (Ex. G). Moreover, Mr. Provost’s testimony that Christie’s “was certainly feeling some of the negative press” regarding its involvement with the Detroit bankruptcy supports Mr. Plummer’s opinion. Provost Dep. 141. Finally, FGIC’s argument is a straw man because it is not reasonable to expect (nor required under *Daubert*) Christie’s or Sotheby’s to take a public position on such a sensitive question. FGIC thus again ignores the reliable work that Mr. Plummer did—including his analysis of sales data—to arrive at this reliable discount number. *See* Artvest Rep. ¶ 47.

D. Mr. Plummer’s Longer Term Sale Factor Is Reliable

56. Mr. Plummer recites the commonsense—and undisputed—fact that the market for fine art, particularly “at the highest end in many subsectors,” can involve “as few as one or two” buyers. Artvest Rep. ¶ 48. He therefore points out that “[s]elling a large block of property into a market that exceeds its liquidity or capacity is a high risk strategy.” *Id.* ¶ 47. Accordingly, “a longer term selling plan is deemed desirable in the art market.” *Id.* ¶ 48.

57. To support his opinion, Mr. Plummer cites the experience of the British Rail Pension Fund (BRPF), which divested its art collection through a “carefully controlled program of sales” over a three-year period. *Id.* ¶ 49(a). The

BRPF collection was “less than 5%” of the value of the DIA collection, and “unlike the DIA, none of the art in its categories exceeded the annual turnover in a single sector.” *Id.* ¶ 49(b).

58. Based on the BRPF experience with a much smaller collection, Mr. Plummer “conservative[ly]” estimated “that an orderly liquidation of the DIA collection would require nothing short of five to eight years.” *Id.* That estimate builds in eighteen months to two years to catalogue, research, and perform due diligence on the collection; a five-year period for sales at public auction; “[a] discount rate of 12% based on the volatility of the art market”; an absence of litigation-related delays; and other conditions. *Id.* ¶ 49(c).

59. FGIC takes issue with Mr. Plummer’s conclusion and argues that it is “unmoored from reliable data.” Mot. ¶ 20. Yet as FGIC recognizes, Mr. Plummer considered data from the BRPF long-term sale. *See id.* Moreover, the deposition excerpt FGIC quotes confirms that Mr. Plummer considered “common investment fund practice” to arrive at his estimated timeline. Plummer Dep. 268:17–21 (quoted at Mot. ¶ 20). And, once again, the paucity of “studies,” Mot. ¶ 20, is of no moment for Mr. Plummer’s non-scientific opinion, based instead on the BRPF data and his professional experience, *see Barreto*, 268 F.3d at 335.

E. Mr. Plummer’s Analysis Of The Potential Impact Of Litigation Is Reliable

60. Mr. Plummer discounts the value of the collection in certain scenarios

to reflect the reality that the City “is likely to face formidable legal obstacles and prolonged litigation” if it were forced to sell the DIA collection to settle its debts. Artvest Rep. ¶ 50. Indeed, the Michigan Attorney General already has made “public comments” suggesting that he is “likely” to challenge even a sale of the City’s works. *Id.* ¶ 50. In fact, the Michigan Attorney General has issued Opinion 7272, which concludes that the City holds “in a charitable trust for the people of Michigan,” and may not sell, the DIA collection. *See Mich. AG Op. 7272* at 18 (Ex. H). Mr. Plummer also notes that other court challenges could be filed by the DIA corporation and “numerous donors or their heirs.” Artvest Rep. ¶ 50(c).

61. Mr. Plummer recounts that “[i]n the instance of the de-accessioning of the Stieglitz Collection by Fisk University, the Attorney General of Tennessee spent 5 ½ years litigating against the sale.” *Id.* ¶ 52(d). That litigation “ultimately resulted in significant constraints on the sale and a sharing arrangement with Fisk and the Crystal Bridges Museum.” *Id.* Mr. Plummer predicts that the City could face a similar “5 ½ year delay” in any effort to sell the DIA collection. *Id.* ¶ 50.

62. FGIC attempts to brush aside Mr. Plummer’s analysis underlying this factor, and suggests that it is inadequate because Mr. Plummer did not speak to anyone at the Michigan Attorney General’s office or any donors or heirs of donors. *See Mot.* ¶ 21. But such conversations were unnecessary in light of the Attorney General’s public statements, Opinion 7272, the public statements and pleadings

filed by the DIA, and the Fisk University precedent. Mr. Plummer's analysis of this factor is reliable. *See Barreto*, 268 F.3d at 335.

F. Mr. Plummer's Analysis Is Not "Litigation-Driven"

63. Finally, FGIC criticizes Mr. Plummer because his analysis was "seemingly undertaken solely for the purpose of litigation." Mot. ¶ 23. Expert witnesses are routinely retained in connection with litigation, and that is by no means disqualifying. Moreover, Mr. Plummer's testimony flows directly from his work in "art market economics, valuation, patterns and behavior" over the past 35 years. Artvest Rep. ¶ 10. It therefore is reliable and admissible. *See Daubert v. Merrell Dow Pharms., Inc.*, 43 F.3d 1311 (9th Cir. 1995) (quoted at Mot. ¶ 22).

* * * * *

64. FGIC thus has failed to show *any* basis for excluding Mr. Plummer's careful, comprehensive, and reliable discount-factor analysis. If FGIC believes that any of its challenges to that analysis have merit, it can pursue them on cross-examination. But it has failed to show that the Court should invoke the "exception" to Rule 702 and exclude Mr. Plummer's testimony. *See* Fed. R. Evid. 702 advisory committee's notes, 2000 amend. ("the rejection of expert testimony is the exception rather than the rule")

WHEREFORE, the Court should deny FGIC's Motion To Exclude The Expert Opinion Of Michael Plummer On Discount Factors.

Dated: August 27, 2014

Respectfully submitted,

/s/ Heather Lennox

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ATTORNEYS FOR THE CITY OF DETROIT

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN**

In re)	
)	
)	Chapter 9
CITY OF DETROIT, MICHIGAN)	
)	Case No.: 13-53846
Debtor.)	
)	Hon. Steven W. Rhodes
)	
)	
_____)	

CERTIFICATE OF SERVICE

I hereby certify that on August 27, 2014, I electronically filed the City's Opposition to FGIC's Motion To Exclude Expert Opinion Of Michael Plummer Regarding Discount Factors with the Clerk of the Court, which sends notice by operation of the Court's electronic filing service to all ECF participants registered to receive notice in this case.

Dated: August 27, 2014

/s/ Heather Lennox

Heather Lennox

Exhibit A

EXPERT WITNESS REPORT OF
Michael Plummer

July 8, 2014

Presented in:
CITY OF DETROIT, MICHIGAN, Debtor
Chapter 9
Case No. 13-53846

In the United States Bankruptcy Court
Eastern District of Michigan
Southern Division

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- VI. Potential Factors That May Affect the Liquidation of the DIA Collection
- VII. Critique of Houlihan Lokey Analysis and Indications of Interest
- VIII. Critique of the Christie's Recommendations for Monetization
- IX. Cultural Impact
- X. Conclusion
- XI. Assumptions and Limiting Conditions

Exhibits

Exhibit A.....	List of Documents Relied Upon
Exhibit B.....	Plummer Curriculum Vitae
Exhibit C.....	List of Consulting Specialists & Curriculum Vitae
Exhibit D.....	Other Sources
Exhibit E.....	Sotheby's and Christie's Unsold Rates by Sector – 2013
Exhibit F.....	Present Value Calculation of an Orderly Liquidation

I. Scope of Opinion and Disclosures Required Under Rule 26(A)(2)(B)

1. I have been retained by Cravath Swaine & Moore LLP on behalf of its client The Detroit Institute of Arts ("DIA") and by Jones Day LLP on behalf of its client The City of Detroit, Michigan (together "Counsel"), in connection to the matter that is the title of this report.
2. Counsel has asked me to form an opinion with respect to the following:
 - a) The indicative value of the works in the DIA Collection
 - b) The feasibility and likely effects on the market and value realization of a sale of the DIA collection under a variety of market and sale conditions
 - c) Creditor-proposed sales of the DIA's collection, including analysis of certain third-party indications of interest
 - d) Monetization alternatives described in Christie's report to the City of Detroit
 - e) Infirmities in any rebuttal expert reports, which I will address in any supplemental report as necessary
3. In addition, this report contains a summary of the information that I relied upon in the development of my opinions and a statement of qualifications. My opinions, detailed herein, are based upon the data and other information available to me as summarized in this report.
4. A detailed list of the sources of information relied upon is presented in Exhibit A.
5. My curriculum vitae and lists of recent testimony, publications and relevant presentations are presented in Exhibit B.
6. Exhibits D through F are additional sources, tables and calculations that I have relied upon.
7. Artvest Partners LLC is compensated at a fixed fee of \$112,500 for preparation of this report, and \$6,000 per day (or \$3,500 per half day) for expert witness testimony at deposition or trial.
8. I reserve the right to supplement and/or revise my report if additional information becomes available and to prepare and present an additional report in reply to any expert report proffered in response to this report. I also may be asked to testify at deposition and trial.
9. I reserve the right to use any charts, tables or graphs contained in this report as demonstrative exhibits to support my testimony at deposition or trial.

II. Qualifications

10. I have extensive experience in the field of analyzing art market economics, valuations, patterns and behavior. My advisory experience encompasses a broad range of constituents in the art market: clients (including buyers and sellers of fine art), auction houses, dealers, collectors and investors.
11. I am a Principal of Artvest Partners LLC.
12. Artvest Partners LLC is an advisory firm in the art market that advises private clients, art professionals, and Fortune 500 corporations on art values, projections of market performance, art acquisitions and dispositions, as well as best business practices. Additionally, we broker art loans for clients.
13. I received a Bachelor of Science Degree in Economics at The Wharton School of the University of Pennsylvania.
14. I was employed for fifteen years at Sotheby's, my final position was Vice-President, Head of Marketing for North and South America and Asia.
15. I was employed from 2007 through 2009 at Christie's as Senior Vice President and Chief Operating Officer of Christie's Financial Services to launch a new business entity to provide art loans and art investment funds to its clients.
16. I have published *Artvest Partners, Market Analysis, September 2010; Artvest Partners Market Analysis, Winter-Spring 2012 With a Special Focus on Asian Art; Artvest Partners Market Analysis, Fall 2011; Citi Research Equities Report, Sotheby's, 18 October 2011; and Citi Research Equities Report, OC's Hammer time: Art Auction Primer 101, 24 April, 2013.*
17. I am a co-founder of the Art Investment Council, a section 501(c)(3) not-for-profit corporation formed to promote best practices and greater transparency in the Art Market.
18. In addition to being quoted in and advising on numerous articles in the *New York Times*, *The Wall Street Journal*, and *The Art Newspaper*, as well as providing on-air commentary on *Fox Business*, I have lectured and been on panels for continuing education courses and graduate-degree programs at NYU, The Appraisers Association of America, Sotheby's Institute and Christie's Education on the subjects of art market performance, trends, economic factors, investment practices and structures, as well as liquidity and valuation in an opaque market.
19. With the aforementioned education, training, and experience, I am well qualified to offer opinions regarding the disputes identified in this matter.
20. My Curriculum Vitae is located in Exhibit B to this report.

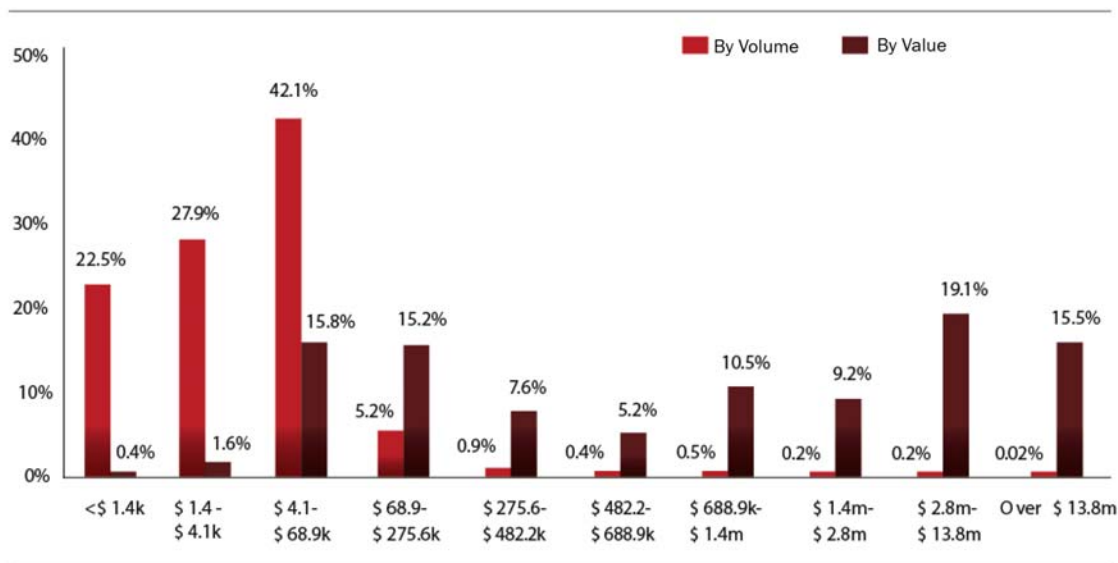
III. General Art Market Issues

21. In this section, I will provide context by describing issues and dynamics currently at work in the art market in general, outline trends and patterns that will affect any decision to sell into the current marketplace and the estimate of values placed on the works before they are sold, as well as conditions for the evaluation of a selling strategy that is undertaken either to maximize value or to find quick liquidity. Much of the information below is based on my own research, as well as the *TEFAF Art Market Report 2014*, prepared by Clare McAndrew, an analysis issued annually by The European Fine Art Foundation (“TEFAF”) that tracks global art activity. For the sake of consistency, values in that report have been converted into dollars for the purposes of this report.

22. Value in the art market, in museum and private collections, as well as in annual turnover in fine and decorative art sales, is concentrated in a small number of rare, high-quality items, whereas the vast majority of items in circulation in the art market are low in value. At the higher end of the market, works over \$14 million account for only 0.02% of items sold, yet these are the prices one hears of regularly in press reports. Works sold for over \$1.4 million account for 43.8% of the value but only 0.42% of market volume.

- a. 50.4% of transactions are below \$4,100 and 92.5% of transactions are below \$69,000

CHART 1

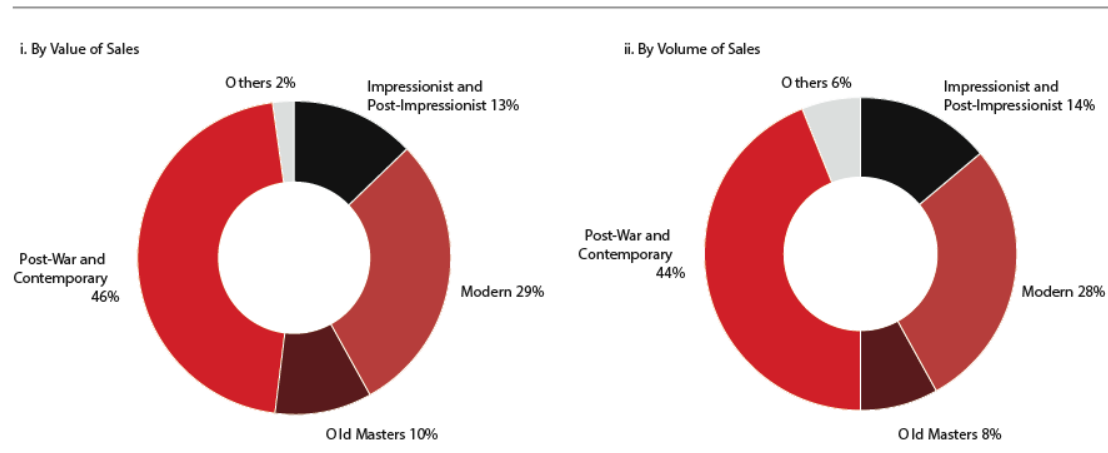


Source: Arts Economics (2014) with data from Artnet and AMMA (All values converted from Euros to Dollars)

23. Four sectors of the fine art market constitute 98% of the value of the fine art market: European Modern Art, Impressionist and Post-Impressionist Art, European Old Master Paintings, and Post-War and Contemporary Art. Of these four sectors, three have declined in value since 2011.

a. Market Share by Sector of the Fine Art Auction Market

CHART 2

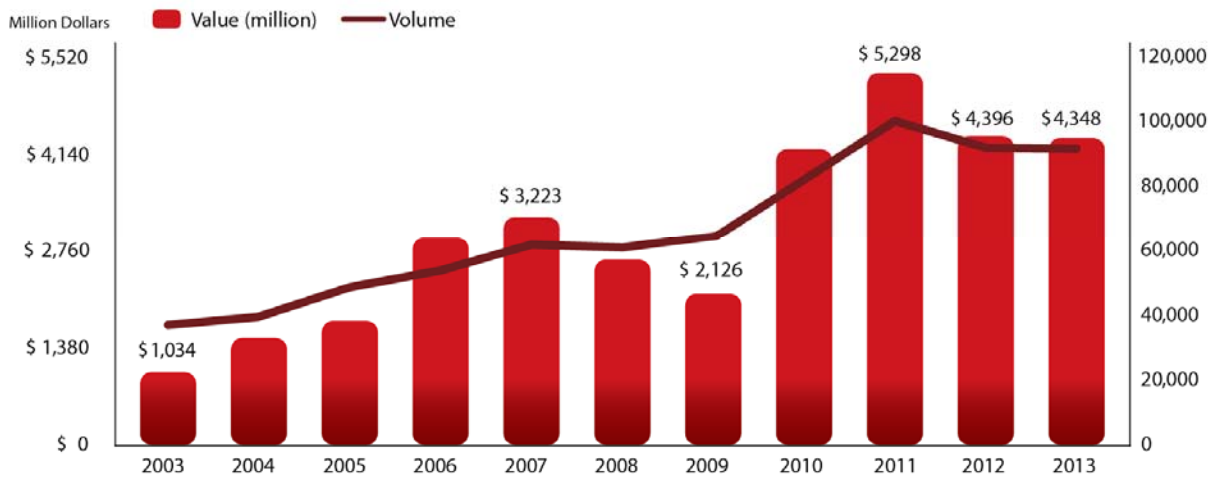


© Arts Economics (2014) with data from Artnet

b. The European Modern Art Auction Sales 2003 to 2013

CHART 3

The Modern Art Sector: 2003 to 2013

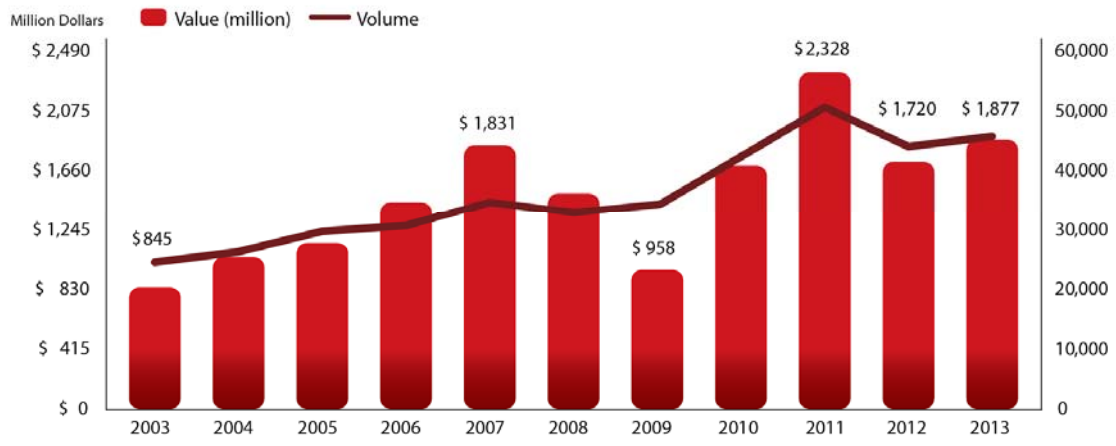


© Arts Economics (2014) with data from Artnet

c. Impressionist and Post-Impressionist Auction Sales 2003 to 2013

CHART 4

Impressionist and Post-Impressionist Auction Sales 2003-2013

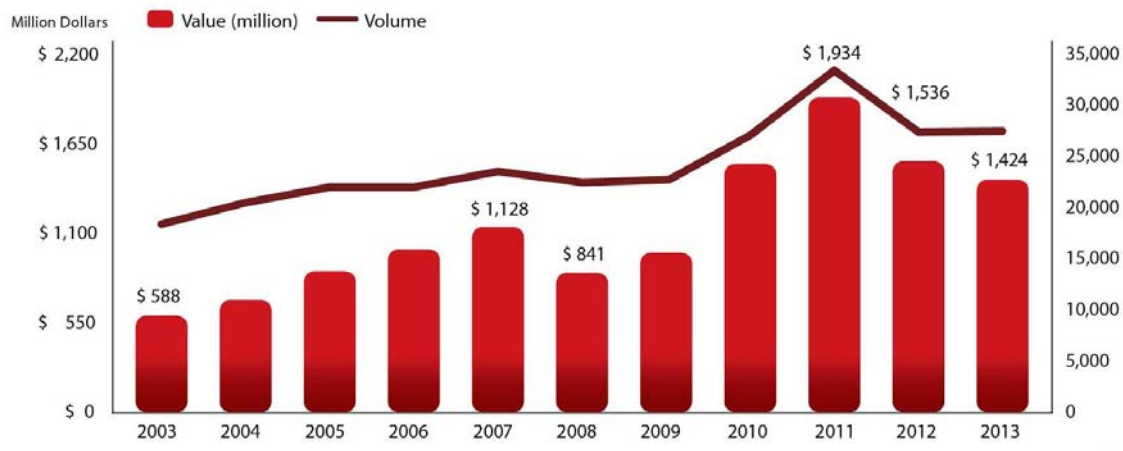


© Arts Economics (2014) with data from Artnet

d. European Old Master Painting Sales 2003 to 2013 (*Primarily referred to in the DIA collection as European Paintings*)

CHART 5

Old Master Painting Sales 2003-2013



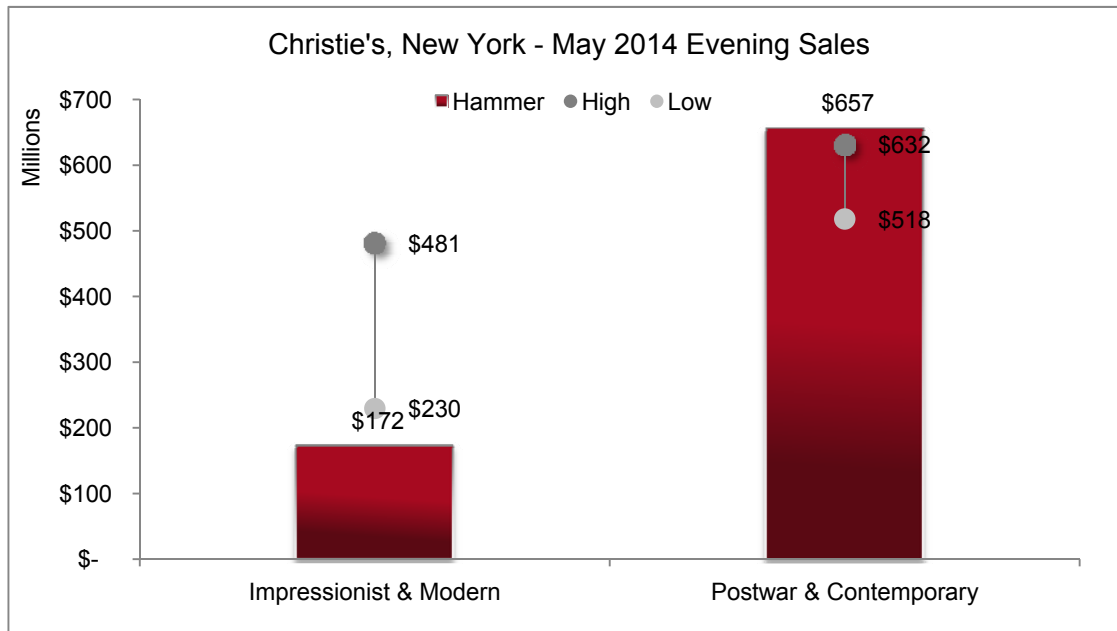
© Arts Economics (2014) with data from Artnet

24. While record prices have been set and growth has been significant in the Post War and Contemporary (“PWC”) sector, other sectors of the art market have been stagnant, and, as mentioned above, some have posted declines in turnover in the last two years.

a. The differences can be seen in the two most recent evening auctions at Christie’s this past May. Both the Impressionist & Modern Paintings and PWC sale had significant and

desirable works of art with many that had not been on the market for decades, yet the Impressionist & Modern paintings sale still performed below expectations and estimates, while the PWC sale exceeded its estimate and had a meaningfully lower rate of unsold items. European Old Master Paintings, 19th Century Art, American Art and pre-20th Century Art are currently manifesting the same pattern of unevenness as this recent Impressionist & Modern Art at Christie's (*refer to Paragraph 37. below*).

CHART 6



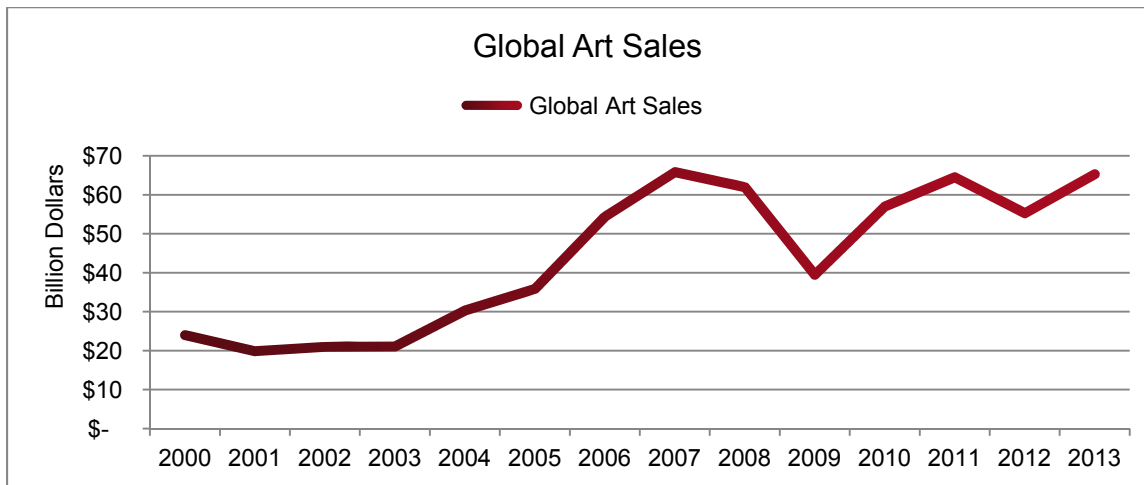
Source: Artvest Partners based on Christie's Auction Data

25. With the exception of the PWC sector, the remainder of the art market has plateaued and will rise and fall from year to year within a range of 10% or so, continuing along the lines of its performance since 2011.

a. In such a market where prices and sales volumes are not appreciating quickly, selling at or below the low estimate is more the norm, and selling at the higher end of the estimate range becomes an anomaly. In times like this, art industry professionals tend to peg their expectations on the lower range of an estimate. The example above, Chart 6, is a case in point: the PWC Evening Auction, in a sector where prices are still rising, exceeded its high estimate. The Impressionist & Modern sale, in a sector where prices are stagnant, fell below its low estimate.

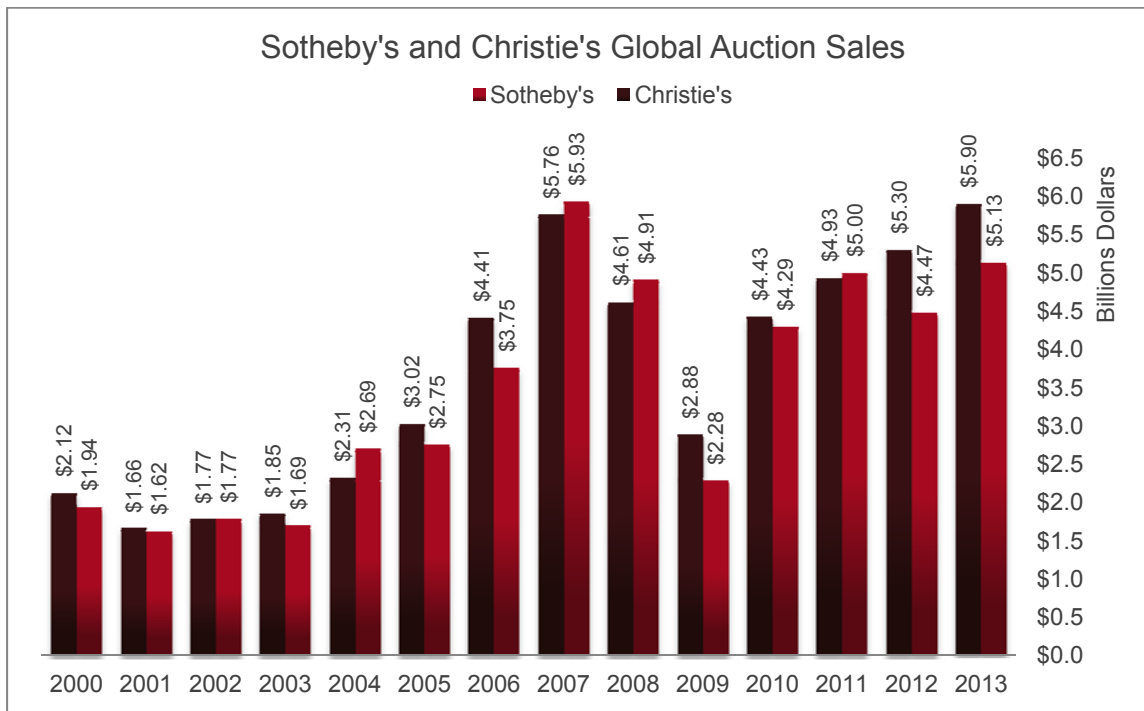
b. The significant growth in the size of the art market from 2002 – 2011 is a once in a life-time event (due to the sudden addition to the global art economy of Russia, China, India and other countries that previously had not been active art collectors). This burst of growth is not likely to be repeated over the next five years. In fact, with growth now concentrated almost exclusively in the PWC sector, I estimate that excluding a price disruption in this sector (see below), growth of the art market will remain choppy over the near to mid-term in all other sectors other than PWC.

CHART 7



Source: Arts Economics (2014) (All values converted from Euros to Dollars)

CHART 8

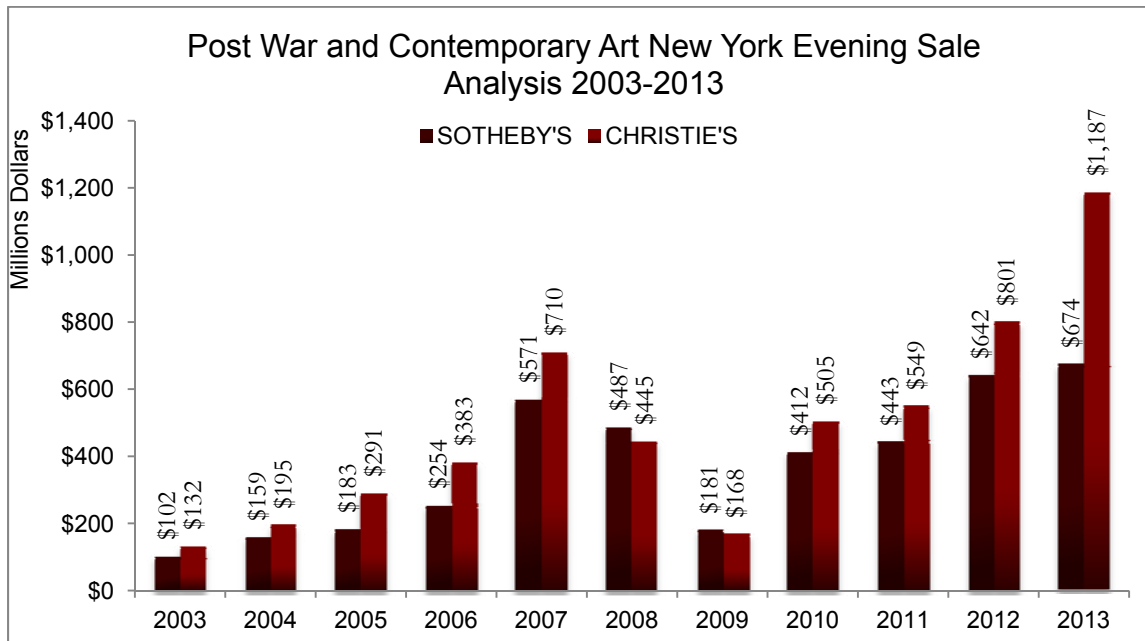


Source: Arts Economics (2014) (All values converted from Euros to Dollars)

26. As a consequence of this heightened focus of collectors on the PWC sector, I believe the sector could soon be reaching a “breaking point,” as historically it is the most volatile sector of the art market and prone to crashes, such as in 1990 and 2008/9. Its growth in value over the last ten years has been unprecedented. In the market crash of 2008, the PWC sector lost both half of its value and half its sales volume. The growth in prices and values is more concentrated at the highest end of the market, namely at Evening Auctions at Sotheby’s and Christie’s. Such an unsettled market would need to be taken into account in any liquidation strategy developed for the sale of the Contemporary Art given the value of its holdings relative to the size of this sector of the market.

a. Ten Years of Post War & Contemporary New York Evening Auction Results

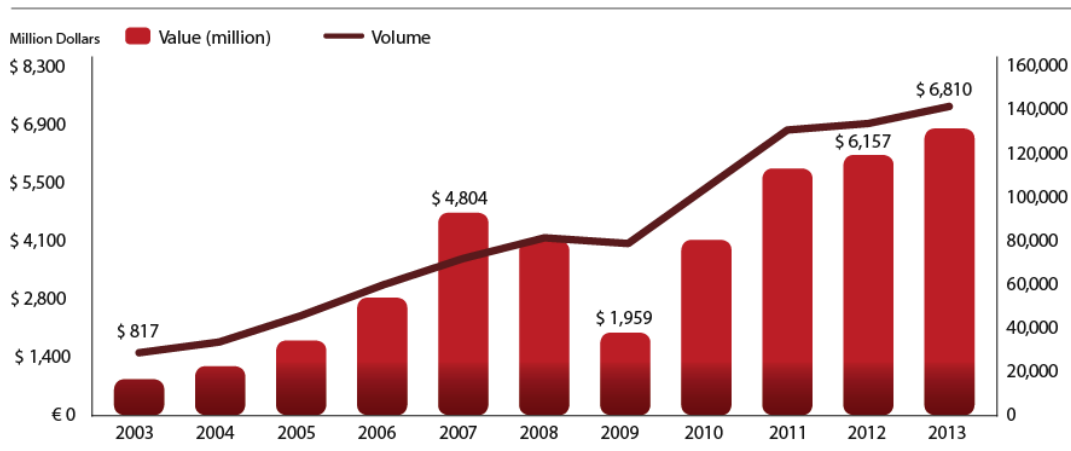
CHART 9



Source: Artvest Partners based on data from Sotheby's and Christie's

b. Growth of the Post-War and Contemporary Art Sector, Auction and Private Sales, 2003 to 2013

CHART 10



Source: Arts Economics (2014) with data from Artnet and AMMA (All values converted from Euros to Dollars)

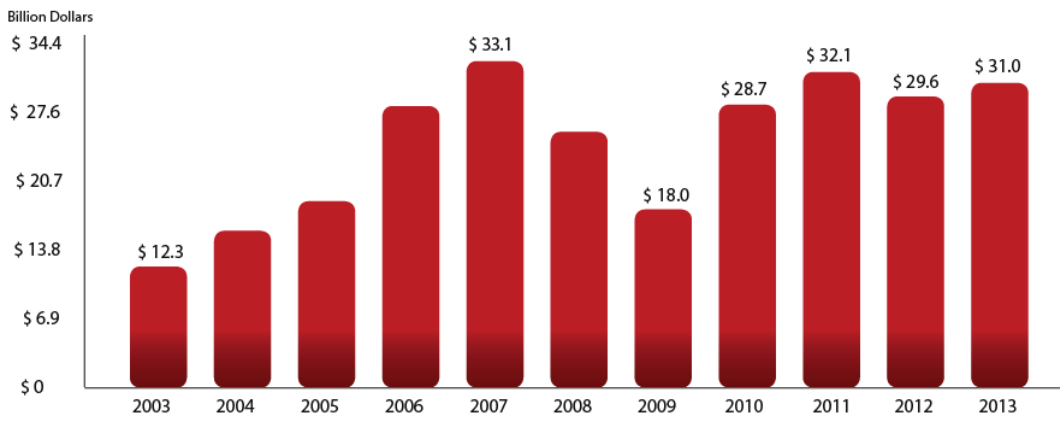
c. Yet another sign that the PWC sector has reached a peak is that a number of notable collectors, who are known for their art market savvy and access to inside information, seem to be cashing out on important works in this market, suggesting that they too feel the market may have reached a high that might not be sustainable:

“This spring, although most sellers are not revealed in catalogs, dealers familiar with their collections say David Ganek, the former hedge fund manager, is believed to be parting with a Twombly and a Warhol; Peter M. Brant, the newsprint magnate, is selling canvases by Basquiat and Haring; Steve Wynn, the casino magnate, a de Kooning; and Ronald O. Perelman, the New York investor, a Rothko.” (*The New York Times, The Rush for Deals Before Top Art Goes to Auction*, Carol Vogel, May 4, 2014.)

27. When a market sector or the entire market “crashes,” as it did in the Autumn Season in 2008, it creates an illiquid marketplace where values often fall by as much as 50%, and property, especially that of the highest caliber, becomes either difficult to sell, and/or sells for a fraction of its previous value. From the previous market peak in 2007, to its nadir in 2009, the fall in sales was 54.6%.

a. Total Global Fine and Decorative Auction Sales 2003 to 2013

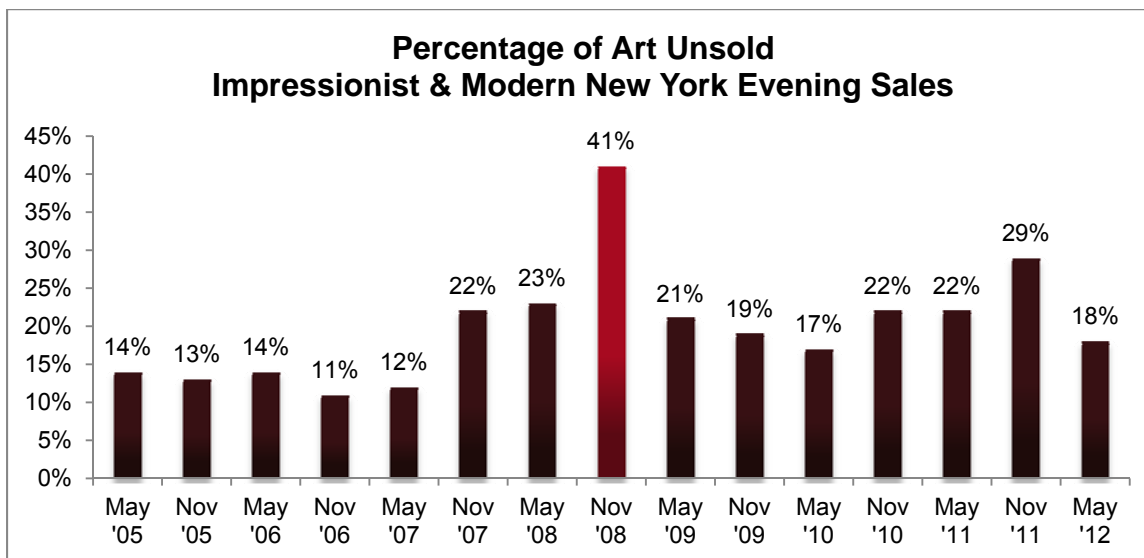
CHART 11



Source: Arts Economics (2014) with data from Artnet and AMMA (All values converted from Euros to Dollars)

b. In November of 2008 and into early 2009, art market sales came to a hard stop until prices adjusted downward radically for the Spring Sales in 2009. Note below that the unsold rate tripled from its previous norms prior to 2007.

CHART 12



Source: Artvest Partners based on data from Sotheby's and Christie's

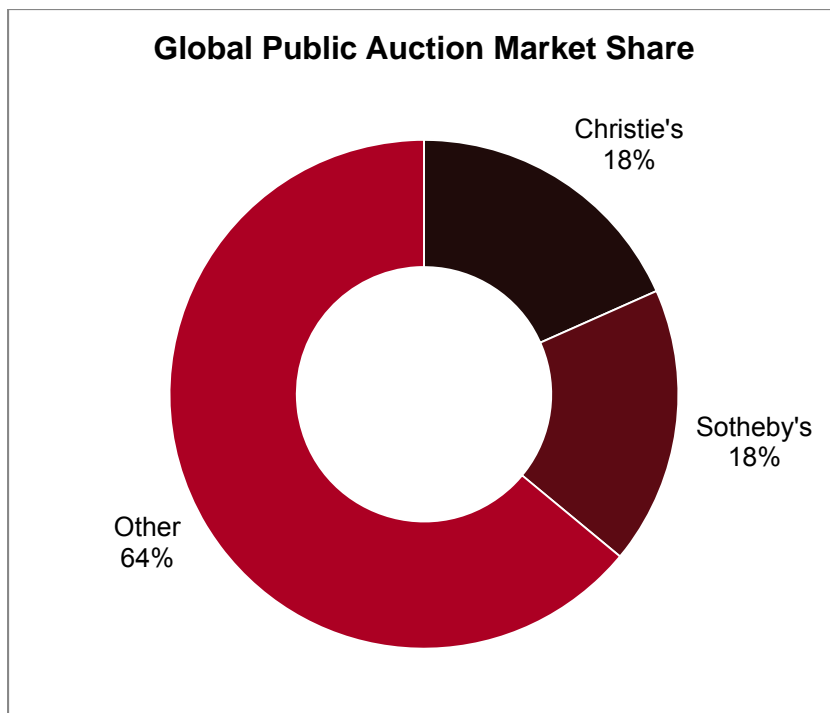
28. Public Auction vs. Private Sale: While the Private Sales and Dealer Activity constituted 53% of global sales volume in 2013 (TEFAF Art Market Report 2014, prepared by Clare

McAndrew), this is the least transparent segment of the art market. Consequently, it is generally true that any art sale resulting from a court action is almost exclusively conducted through public auction. This is the preferred and most common method of sale for estate liquidations, criminal cases, tax liens, bankruptcies and other legally mandated sales of arts and antiques.

29. At the higher end of the market, Sotheby's and Christie's are the preferred venue for selling to achieve maximum sales value, as they have the greatest global reach amongst collectors and control over a third of the international auction market.

- a. With 36% of share of Global Art Sales overall. Sotheby's and Christie's dominate the art auction market at the high-end.

CHART 13



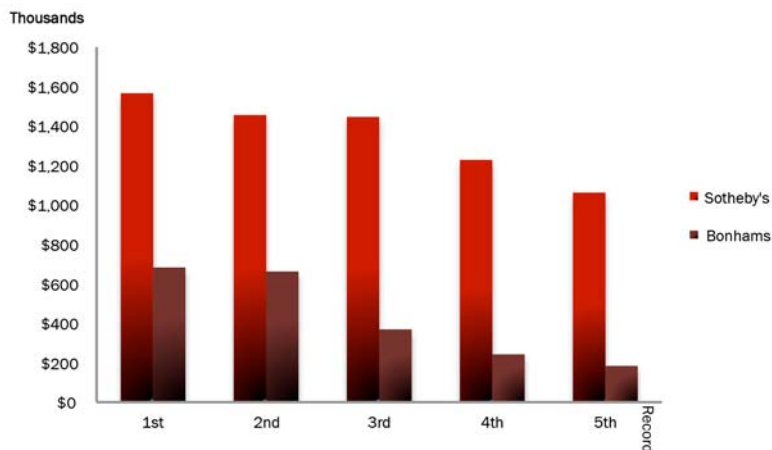
Source: Arts Economics (2014) with data from Artnet and AMMA
(All values converted from Euros to Dollars)

- b. Examples of high-end artist by sector which are indicative of the price performance differential at Sotheby's or Christie's versus second tier auction houses such as Bonham's or Phillip's:

Example A: Top five prices for William Godward (19th Century Sector) at Sotheby's versus Bonham's, a differential ranging from 54.3% to 82.7%.

CHART 14

William Godward (19th Century) Top Auction Prices Achieved

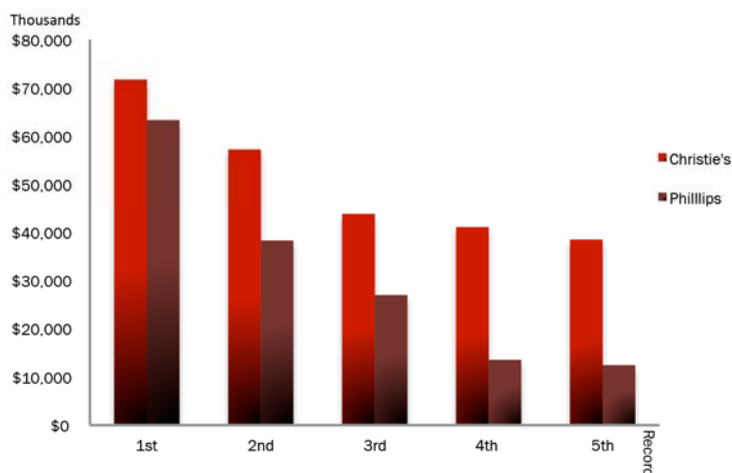


Source: Artvest Partners based on data from Sotheby's and Bonham's

Example B: Top Prices for Andy Warhol (PWC Sector) at Christie's vs. Phillips, a differential ranging from 11.7% to 67.7%.

CHART 15

Andy Warhol (Post-War) Top Auction Prices Achieved



Source: Artvest Partners based on data from Christie's and Phillip's

Example C: Top Price Comparison for Picasso (Impressionist & Modern Sector) at Sotheby's vs Bonham's: In a search on artnet of the top hundred prices by this artist's works at auction at all four houses, none appeared to have been sold at either of the

second tier houses, and Sotheby's and Christie's hold a complete duopoly on the higher priced works by this artist. In the late 1990s and early 2000s, Phillips did attempt to enter this market, but quickly pulled out, unable to compete.

c. Implicit in any auction sale of a multi-million dollar work at Sotheby's and Christie's is a five-year guaranty on authenticity. Second tier houses offer this guaranty as well, but when a collector is buying a work in excess of \$10 million or \$20 million, there is added confidence in the depth of the balance sheet at the two big firms, that at that level of purchase, those firms will have the balance sheet liquidity to take back a \$100 million Picasso, for example, should it in some way not be what it is reputed to be. This is an overlooked and contributing factor to their sustained dominance at the high-end.

d. The power of the duopoly at the higher-end was fully demonstrated when in February 2009, Pierre Berge, the owner of Pierre Berge Associés, an auction house in Paris, decided to sell the collection that he and Yves St. Laurent had acquired at an auction at Christie's, rather than through his own auction house. The sale earned €373,935,500.

IV. Evaluation of the Collection of the Detroit Institute of Arts

30. I am comfortable with Christie's approach and valuation of the works with a City of Detroit ("COD") attribution and believe that it is a useful sample and window into the evaluation of the entire DIA collection and appropriate to include within my own analysis of the value of the DIA collection.

31. In order for Artvest to prepare an evaluation of the entire DIA collection in such a limited time, I approached the collection as four distinct groups of property. Though I included the Christie's appraisal in my evaluation, I regrouped the COD works from their Phases 1, 2, 3 into bands of value to create a more functional grouping for my analysis:

Group 1: High Value COD works that were appraised by Christie's for greater than \$750,000 (68 items)

Group 2: COD works appraised by Christie's of lower value, that under \$750,000, including property for which they assigned limited or no value (1,654 with value, 1,038 with limited to no value, and 13 that were combined in Phase III): Total COD appraised or reviewed items by Christie's was 2773.

a. For both categories (except for that of minimal value), Christies' provided a low and high estimate of value determined by comparing the appraised object to marketplace comparables, or as they refer to it, "the market data approach,' which compares the subject work to similar works and makes appropriate adjustments," for which I understand them to mean adjusting for differences in quality, size, medium, rarity, authenticity, desirability and to the extent known, condition.

b. It is important to point out that, as they state in their letter of December 17, 2013 to Kevyn Orr, Christie's "made no assumptions about the sales process, nor did we take into consideration any commissions, buyer's premiums, or potential financial agreement between the buyer, seller and/or venue that would affect the price realized. And as we agreed, we have not assumed any volume discounts."

c. In Sections V and VI of this report, I undertake to evaluate these key issues pertaining to the potential liquid value of the DIA collection that were not part of Christie's remit, as they are critical elements in evaluating the results of either a partial or full liquidation of the DIA.

TABLE 1

	Object	Low Estimate	High Estimate	Mid Estimate
High Value COD Works Greater Than \$750,000	68	427,200,000	812,600,000	619,900,000
COD Works lower than \$750,000	1654	27,077,995	54,397,240	40,737,618
Subtotal	1722	454,277,995	866,997,240	660,637,618
COD Works that Christie's found to be of insignificant value to conduct an appraisal	1038	0	0	0
TOTAL Christie's Appraisal	2760	\$454,277,995	\$866,997,240	\$660,637,618
Other COD property	13			
TOTAL COD Property	2773			

32. In addition to the Christie's appraised COD works, I conducted an evaluation of the remaining items in the DIA collection in the following manner:

Group 3: High Value, non-COD works in the DIA collection, contained on a list provided by the DIA of works that the DIA valued for insurance purposes or otherwise of \$1,000,000 or more, totaling 350 works. (It should be noted that in some instances my own evaluation found some of these items to be of a value less than \$1,000,000.)

Group 4: Based on a tour of objects on view in Museum in June 2014, another 73 works I determined to be High Value, which are likely to have values in the range of \$750,000 or higher. As these were discoveries late in the process, I have put an approximate valuation on these items and will provide a fuller evaluation and documentation in a supplement to this report.

a. For Group 3 and Group 4, I conducted an evaluation using the same methodology as Christie's, that is, looking at pricing "that compares the subject work to similar works and makes appropriate adjustments" in value based on size, shape, visual impact, subject matter, condition, medium, complexity, period in the artists or craftsman career, desirability in the marketplace, scarcity and other factors depending upon the sector or type of art.

b. Artvest conducted the initial pricing research and created a source database of comparables and other records, then shared that with the Consulting Specialists, who then did supplemental price searches and other research. After that, the Consulting Specialists viewed the work, either in person or through a high resolution image, and set values which were then reviewed, discussed and finalized with me. The Curricula Vitae of the Consulting Specialists are attached.

Group 5: Balance of the Collection. The balance of the DIA's collection was evaluated by sector using the sample valuation data of the COD works appraised by Christie's with a low value of at or below \$750,000, and applying an average price, sector by sector, based on that data.

c. To the extent of this methodology has a bias, I believe that it is likely to overstate the value of the DIA collection. COD works were most likely "strategic" purchases to raise the profile of the DIA. General gifts and other museum acquisitions often involve property with little to no sales value and/or scholarly or historic value only. Also, in many instances, donors give entire collections, which include poor to mediocre property side-by-side with good property.

d. For property with a value below \$5,000 I attributed an effective value of \$0, as it is my opinion that the cost of cataloguing, handling, administering and finding buyers for this property will be equal to or greater than the cost of selling it. For that reason, this is a price-level of property that Sotheby's and Christie's, under normal circumstances, try to avoid selling.

Totals: Groups 1 through 5 combined by Sector for a total value of the DIA collection, without accounting for limitations or clouds on title, limitations in the market on the sale of the works, or any of the discounts described in the next section of this report, for total estimated gross sales value of the DIA holdings.

TABLE 2

	Object	Low Estimate	High Estimate	Mid Estimate
Artvest Evaluation, Works Greater Than \$750,000	350	1,569,355,000	2,290,085,000	1,929,720,000
Additional 73	73	80,415,000	164,130,000	122,272,500
Subtotal Artvest High Value	423	1,649,770,000	2,454,215,000	2,051,992,500
Remaining DIA	57,181	656,930,437	1,286,741,464	971,835,951
Total Artvest Evaluation	57,604	2,306,700,437	3,740,956,464	3,023,828,451
TOTAL COD Property	2773	454,277,995	866,997,240	660,637,618
TOTAL DIA Collection	60,377	\$2,760,978,432	\$4,607,953,704	\$3,684,466,069

33. To ensure objectivity, Artvest did not interact with the Museum staff directly but rather communicated only through DIA Counsel.

Key notes to the Evaluation

- 1) *Modigliani paintings not in Ceroni catalogue.*
In several instances, both in the Christie's appraisal and in the Artvest evaluation, there are works that were thought to be by Modigliani which are not mentioned in the most trusted resource for authenticity. Thus I have attributed zero to minimal value.
- 2) *The Diego Rivera Murals.*
While these are incredibly rare, historic and significant works of art, they are frescos applied directly to the walls, so they cannot be removed with cutting them off the wall and inflicting serious damage, and incurring significant cost. Additionally as they were recently designated a National Historic Landmark in April of this year, it is hard to imagine how such removal could be done without serious backlash.
- 3) *Potential for Likely Re-attribution.*
In a number of instances, particularly with the Old Masters paintings, we are assuming the Museum's attribution is correct. It is entirely possible that during the process of more in depth cataloguing for a sale, that such attributions could be challenged, significantly lowering values.
- 4) *"A Once-in-lifetime sale."*
The Brueghel, the Gates of Ishtar, and a number of other objects in the DIA collection have not had comparables that have come on the market in seventy to a hundred years. We have made a good faith effort, and it appears that Christie's has as well, to provide estimates, but finding works of similar importance in these areas is not possible.

TABLE 3
Artvest Evaluation of DIA High Value Works

See Exhibit G

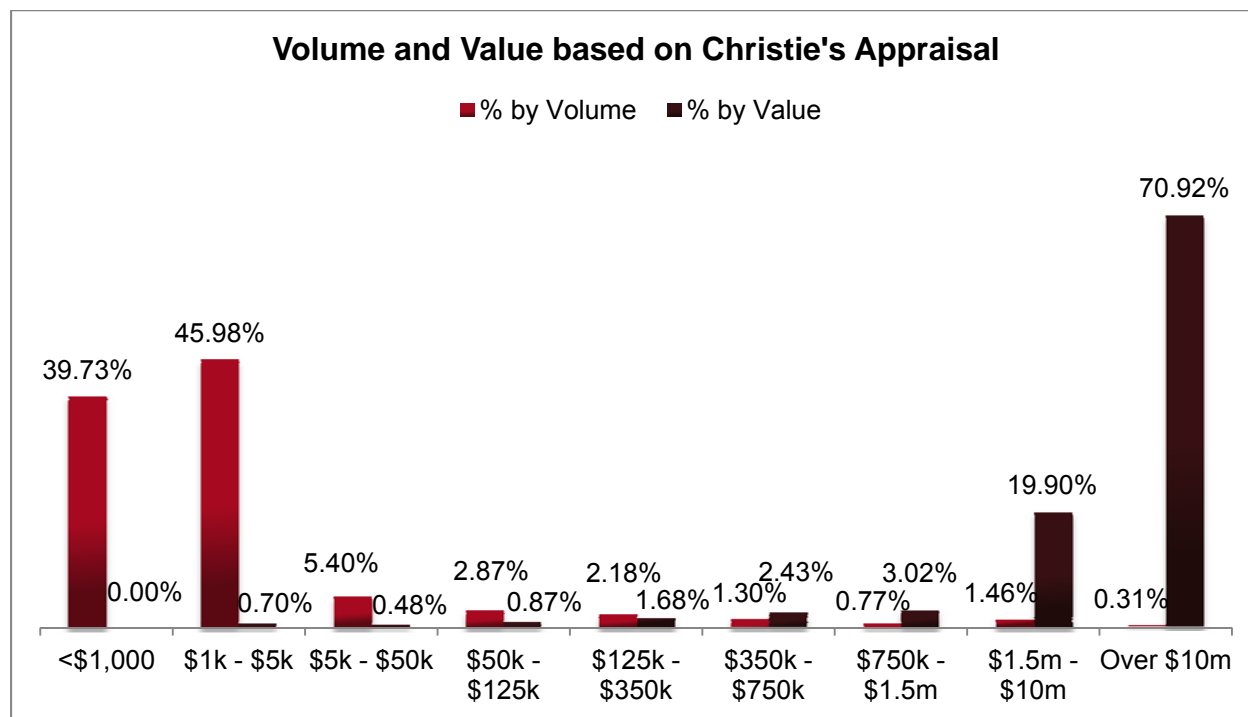
V. DIA-Specific Market Issues Affecting Selling Strategy & Value

34. As Christie's mentioned in its letter of December 17, 2013, in its appraisal of COD works, it "made no assumptions about the sale process." Though instructed to evaluate the collection in this fashion, such an omission is a missing key element in any attempt to find a real, net liquid value of the DIA collection should it be required to be sold. In this and the following section, I address and quantify these matters.

35. In relation to the extreme value distribution in the general art market in annual sales turnover (refer to General Art Market Conditions, Opinion 1), the COD works in the DIA collection have an even greater polarization in value.

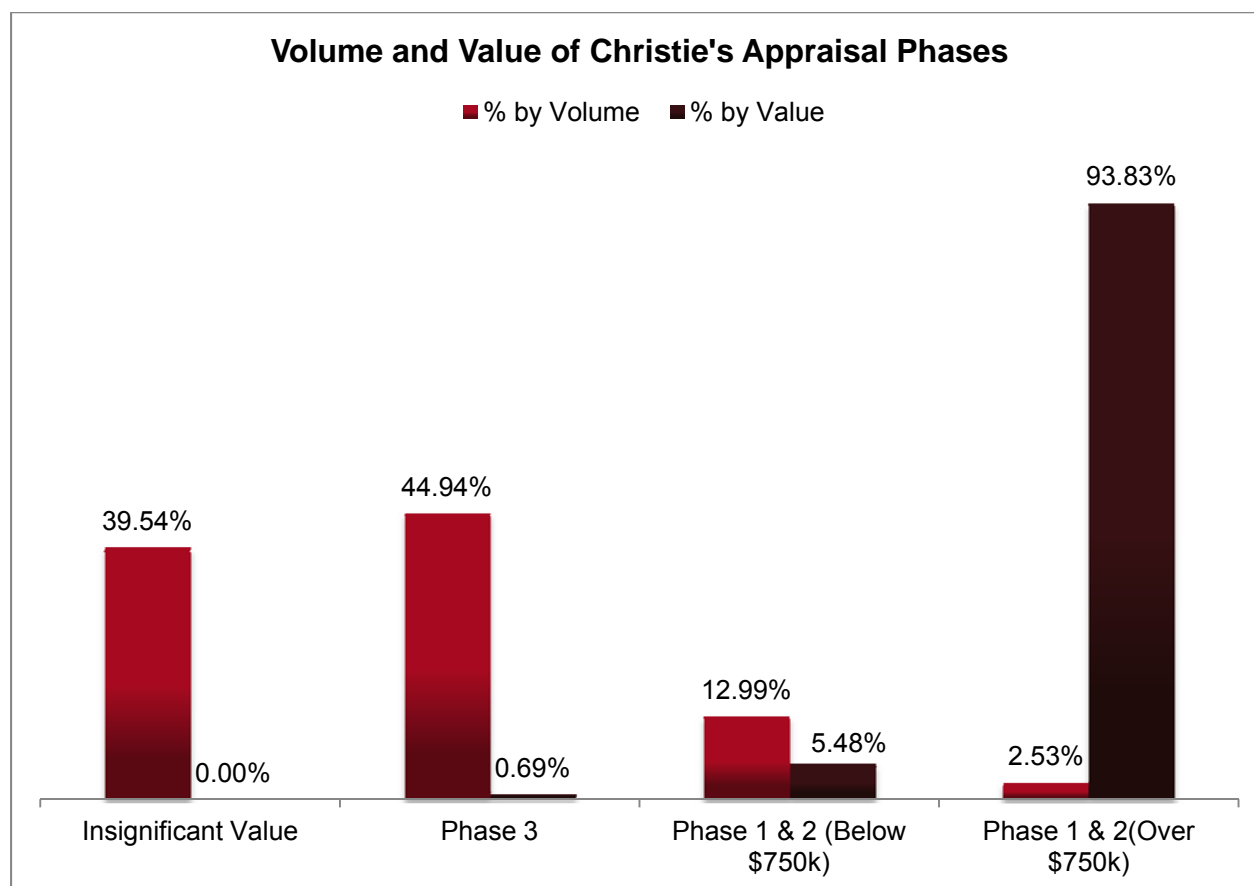
a. Of the 2,773 works of COD property that Christies evaluated, Christie's completed a full appraisal on 1,741 items and Christie's deemed 1,038 works, or 37.4% of the total universe of the COD, of insufficient value that they were ineligible for appraisal. (Thirteen items were grouped together in Phase III). On the other-hand Christie's Phase I and 2 appraisal, which focused on the higher value works on display in the collection, accounted for 2.5% of the works accounted for 98.8% of the value of the COD. Chart 16 below shows the entire Christie's appraisal combined into a single data set; Chart 17 shows the Christie's appraisal as originally submitted, divided into three phases.

CHART 16



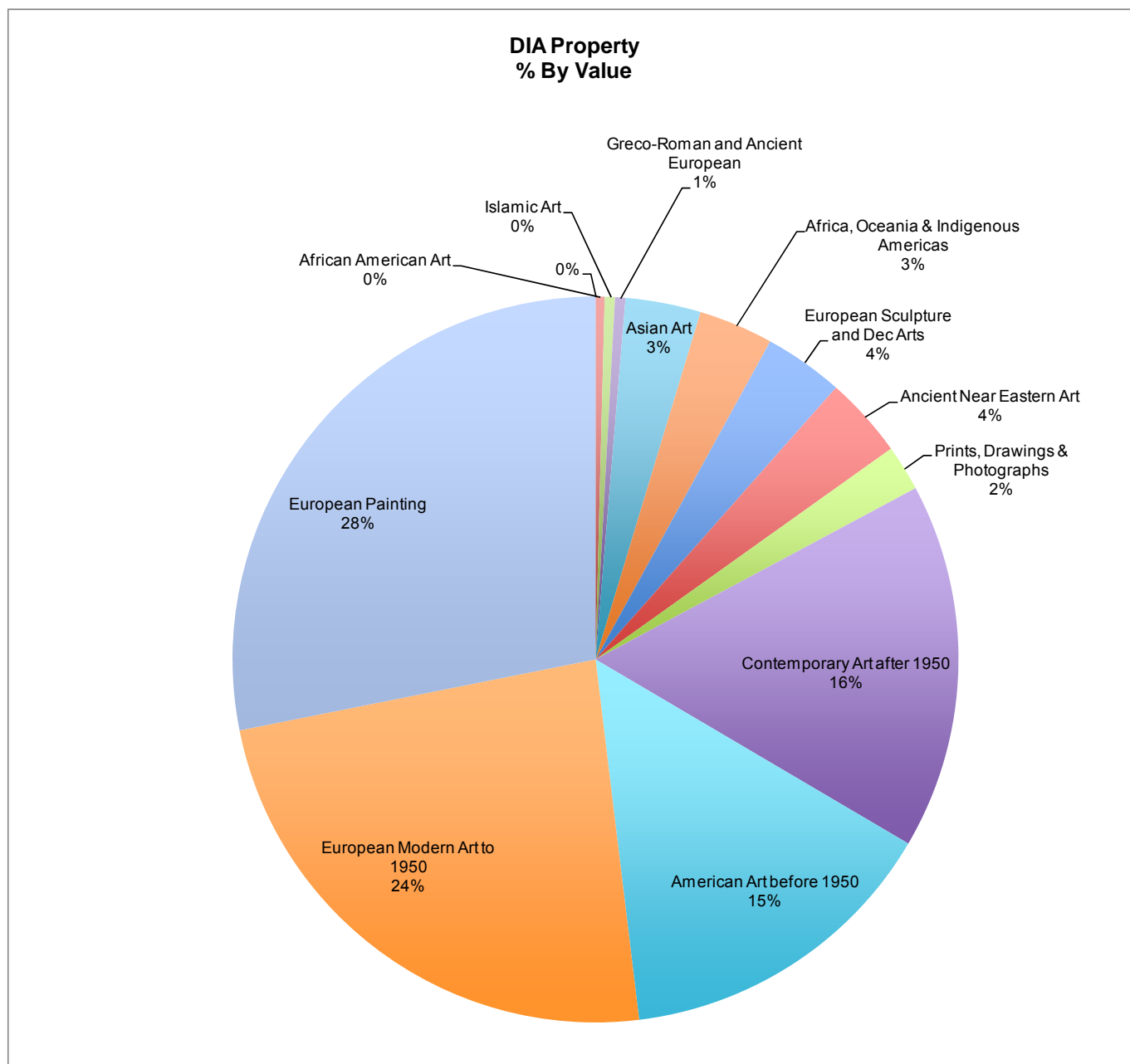
Source: Artvest Partners based on Christie's 2013 Appraisal Data

CHART 17



Source: Artvest Partners based on Christie's 2013 Appraisal Data

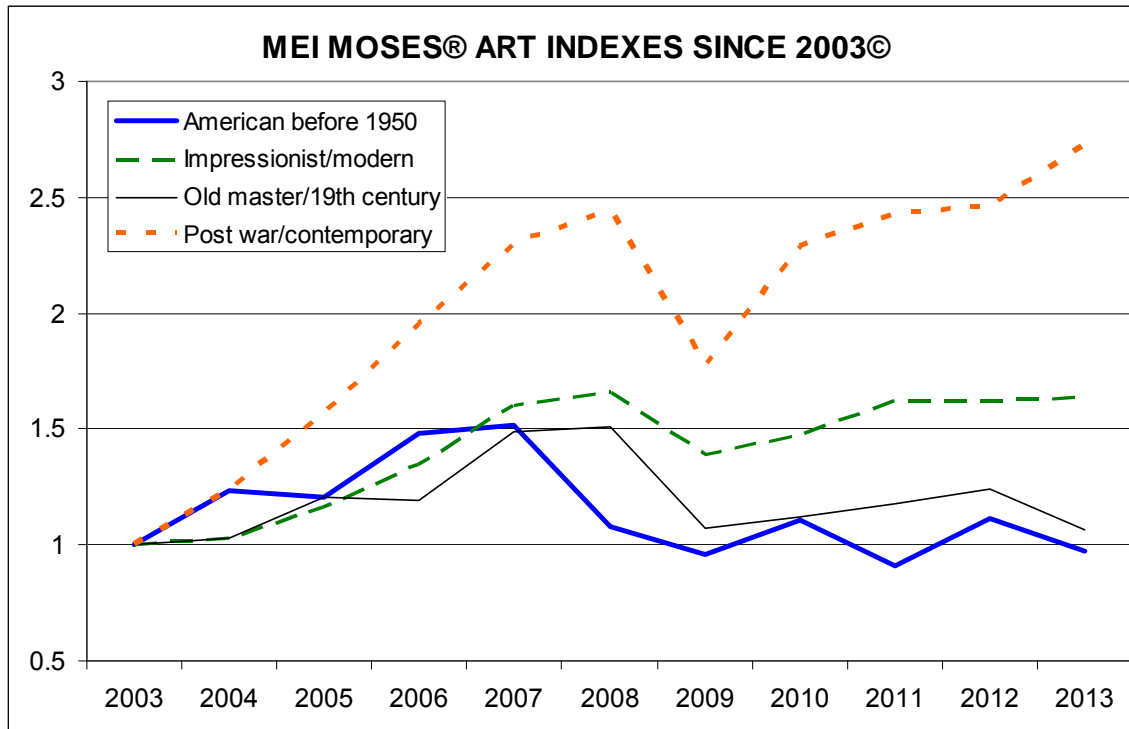
36. Four sectors of the fine art market constitute the most significant block of value in the DIA collection: European Old Master Paintings, European Modern Art, Impressionist and Post-Impressionist Art, and Post-War and Contemporary Art. (Refer to Section IV.)



37. A significant segment of DIA's collection is in areas that have fallen out of favor with collectors and that are underperforming their market peak in 2007, specifically American Art pre-1950 (14.6%), Old Master and 19th Century European Paintings (28.1%), Impressionist & Modern Art (23.8%), for a total of 66.5% of the collection. (Refer to Section IV.)

a. 1. Mei-Moses Art Indices of American Art pre-1950, Impressionist & Modern Art, Old Master/19th Century, and PWC.

CHART 18

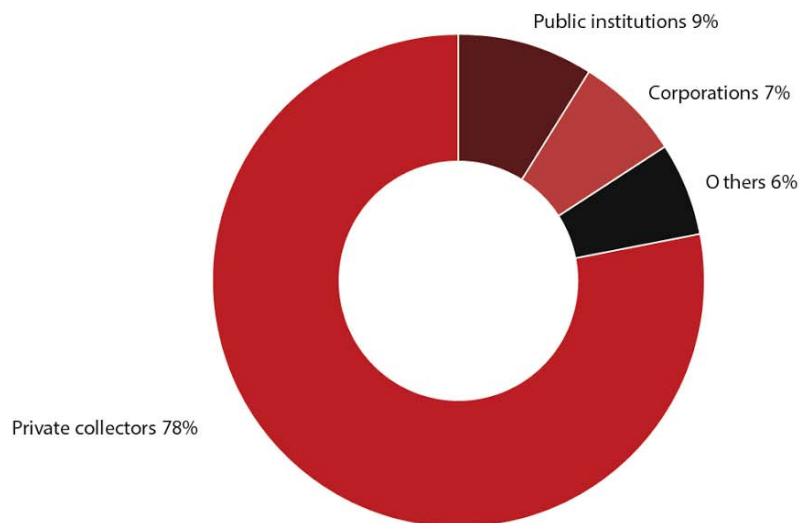


Source: www.artasanassetclass.com © Beautiful Asset Advisors LLC

38. Were the DIA collection to be sold in entirety or in part, few sales would be to other museums, both because other museums are likely to boycott such sales, as well as because funding constraints limit their participation in the marketplace at today's price levels for works of art. Public Institutions, primarily art museums, purchased only 9% of property sold in 2013.

a. Market Share of Sales by Value by Buyer Group in 2013

CHART 19



© Arts Economics (2014)

b. Museums are unable to compete against the formidable spending power of today's wealthy private collectors. Even the largest and most prestigious museums have limited purchasing power relative to size of the market or to the size of the liquidation of all or part of the DIA collection. "The Museum of Modern Art spent \$32 million to acquire art for the fiscal year ended in June 2012; the Metropolitan Museum of Art, \$39 million." (*The New York Times*, *Qatari Riches Are Buying Art World Influence*, Robin Pogrebin, July 22, 2013).

c. A collection of the quality and range of art in the DIA would be impossible to recreate in current times. Given the fierce competition from Private Collectors and the level of today's prices, it would be impossible for the City of Detroit, or any institution in the world, to recreate the quality and scope of the DIA collection. Take for example the Getty Museum in Los Angeles. While it sits on the largest endowment ever provided to an institution in modern history, it has a collection that does not even begin to rival that of the DIA.

VI. Potential Factors That May Affect the Liquidation of the DIA Collection

39. In this section, I anticipate and quantify various different potential factors that, based on either current market conditions or historic precedent, are likely to have a financial effect on the sale of the art from the DIA collection. Many of these factors are not taken into account in any standard appraisal or fair market valuation. I also apply the discount factors for various sale scenarios.

40. It is important to note that these discount factors apply most directly to the higher value property in the DIA collection. Low-to-mid-value property tends to be absorbed into the marketplace with less notoriety or impact on the overall market. In other words, it is the very conspicuousness of the higher value property that tends to exacerbate the conditions outlined below. It is also important to note that a number of these scenarios could overlap, creating a multiple discount affect, such as if there were an immediate liquidation at a second tier auction house that does not have the client base of Sotheby's or Christie's.

Immediate Liquidation

41. An immediate liquidation of the art collection will result in selling the DIA collection at a fraction of its fair market value, passing the returns and the ultimate value to third parties who would be capable of providing a large block of capital for the art on relatively short notice and selling the objects in a less urgent, strategic fashion over a multi-year time frame. (Refer to Indications of Interest in Section VII).

a. In May of 1990, William Acquavella (Acquavella Galleries, Inc.) made a deal to partner with Sotheby's in acquiring the entire inventory of the Pierre Matisse Gallery for \$153.1 million by purchasing the common stock of the gallery. The gallery assets comprised 3,500 works of fine art of the 20th Century, primarily School of Paris (Matisse, Picasso, etc.).

b. The purpose of the transaction for the Matisse estate was to give the estate liquidity without its having to sell the collection all at once at auction, in an immediate liquidation, and potentially further devalue the auction market and the Matisse inventory in the midst of market downturn. (The market had lost half its value from 1990 to 1991 and was not expected to recover in the near to midterm.)

c. For Sotheby's and Acquavella, it was a chance to hold the property and liquidate it over time, both at auction and at private sale.

d. By December 31, 1993, Sotheby's had received \$278.5 million in return for its share of the partnership, for which it had put up 100% of the capital. After this two-year return, another \$45.7 million of inventory remained, which was liquidated at auction sales up through 2006 and beyond. (Source Sotheby's Annual Financial Statements for years ending 1996 and 2006.) In effect, not including Acquavella's share, Sotheby's bought the property at a discount to its ultimate market value of 45%.

e. In the case of the DIA, such a sale would likely follow an accelerated due diligence process as per Houlihan Lokey proposal of anywhere from 10 to 180 days.

42. Impact of an Immediate Liquidation.

- a. There are two potential loss factors to consider in an immediate liquidation, the first being lost value due to sloppy due diligence and cataloguing and property that is not saleable in a short time period. This loss factor cannot be estimated, but it is important to acknowledge.
- b. The second loss factor can be estimated, and that is 50%. This is the standard number used in art loan valuation, as a 50% loan-to-value ratio assumes that the property will bring 50% of its low auction estimate in an immediate liquidation scenario. Real life examples such as the Pierre Matisse Gallery sale support this number.
- c. Refer to TABLES 6 and 7 below for application of an Immediate Liquidation discount.

Blockage Discount

43. Given the high concentration of property in key sectors of the Art Market, the concept of a Blockage discount would apply to any liquidation scenario of the DIA collection other than an orderly, strategic, multi-year liquidation. A Blockage discount is similar to an Immediate Liquidation discount, but results from selling a large group of similar items in a short time. A Blockage discount is an alternative way of evaluating the likely results of a quick sale and would not be applied in addition to an Immediate Sale discount, but generally supports the application of an Immediate Sale discount.

- a. A Blockage discount is defined by the Appraisers Association of America (“AAA”) as “A principle applied in the valuation of large groups of similar and like items, which, if sold during a limited period of time, would result in a depression of the prices one might expect if sold separately in an ordinary market cycle. Consequently blockage discount is narrowly defined as the percentage the appraiser would apply to reduce the total valuation to compensate for this situation.” An Approach to Advanced Problems in Appraising Art, Alex J. Rosenberg Sc.D. AAA, ASA.
- b. Most commonly, a Blockage discount has been applied by the IRS to calculate estate taxes on artists’ estates where there is a large group of similar property. The IRS’s current practice of using a discounted number has ranged from 25% to 46%, based on precedents set in cases involving the estates of David Smith, Georgia O’Keefe and Alexander Calder. (Ibid.)

Unsold Rates

44. The Impact of Unsold Rates.

- a. Standard appraisals and valuations do not take into account auction unsold rates, an economic reality of the auction business. Such rates vary by category, but tend on average to be in the range of 20% or more. In 2013 one of the highest unsold rates was in 19th Century European Paintings at 42% and one of the lowest was Chinese Paintings at 9%. (Refer to Exhibit E, Sotheby’s and Christie’s unsold rates by sector.)
- b. The top four sectors of the DIA Collection (82.8%) have unsold factors as follows, as applied to the mid values and low estimates of the sectors’ values. Refer to Table 4 below

c. For the remainder of the collection, I assume an average Unsold factor of 25%. That results in a remaining Unsold amount of \$154,559,242 (at the mid estimate), for a total Unsold of \$ 939,289,836.

TABLE 4

SECTOR	Unsold %	Mid Estimate	ME Unsold	Low Estimate	LE Unsold
American Art before 1950	24%	\$ 526,075,242	\$ 126,258,058	\$ 386,216,056	\$ 92,691,854
Contemporary Art after 1950	20%	\$ 586,401,219	\$ 117,280,244	\$ 460,166,040	\$ 92,033,208
European Impressionist & Modern Art to 1950	23%	\$ 856,175,955	\$ 196,920,470	\$ 695,526,352	\$ 159,971,061
European (19th C and Old Master) Paintings	34%	\$ 1,012,564,184	\$ 344,271,823	\$ 760,968,931	\$ 258,729,437
Subtotal Top Four Sectors		\$ 2,981,216,600	\$ 784,730,594	\$ 2,302,877,380	\$ 603,425,559
Balance of Collection	25%	\$ 618,236,969	\$ 154,559,242	\$ 408,091,053	\$ 102,022,763
Total / Avg.	26%	\$ 3,599,453,569	\$ 939,289,836	\$ 2,710,968,433	\$ 705,448,322

(Refer to TABLES 6 and 7 for application of the Unsold Discount Factor.)

d. It is important to note that much of this unsold property could and would be sold over time, but it is customary business practice to devalue a work by 20% of the low estimate after it has “Bought-In” – auction terminology for a work of art going unsold. This is particularly true for paintings and even more so for expensive ones. A work is considered “burned” if it goes unsold and is considered essentially unsellable for a period of three to five years after it first appeared at auction, if even then.

Issues Related to Sotheby's and Christie's

45. The effect of a sale by Christie's or Sotheby's without a financial guarantee: In a sale by either Sotheby's or Christie's, the likely size of a liquidation of the DIA collection would be beyond each of their guarantee capacities, as well as include art sectors where they are less comfortable making guarantees. Such a lack of a guaranteed auction sale exposes property to unsold risk that is described above.

a. Both auction houses try to limit their net auction guarantee exposure to under \$300 million, as a result of the problems they faced in the market downturn of 2008.

Sotheby's reported nearly \$280 million in guarantees as of April 15, more than four and a half times the \$60.2 million figure for the first quarter of 2013; the proportion coming from outside parties is still in flux. As a publicly traded company, Sotheby's is required to report guarantees. Christie's, which is privately owned, is not, but officials there confirmed it has about \$400 million in guarantees to sellers this season, of which some \$300 million is given by outside parties. (*The New York Times, Rush for Deals Before Top Art Goes to Auction*, Carol Vogel, May 4, 2014.)

b. On February 13, 2014, Sotheby's entered into a new credit agreement with a lending syndicate headed by GE Capital which renewed a \$300 million cap on their net auction guarantee positions (total guarantees less third-party irrevocable bids or third-party guarantees.):

The New Credit Agreements contain certain customary affirmative and negative covenants including, but not limited to, limitations on capital expenditures, a \$300 million limitation on net outstanding auction guarantees (i.e., auction guarantees less the impact of related risk and reward sharing arrangements) and limitations on the use of proceeds from borrowings under the New Credit Agreements. (Sotheby's Form 10Q Quarterly Report, filed May 7, 2014).

46. A sale by other than Sotheby's or Christie's, the two main auction houses: In a forced liquidation, the two optimal selling venues for maximizing the value of the collection, Sotheby's and Christie's, might refuse to sell due to the controversy surrounding a disposition and potential damage to their brand and relationships with the broader Museum community.

- a. Sotheby's parent company, Sotheby's Holdings, Inc. was a Detroit based corporation from 1983 until 2006, with offices at 28500 Woodward Avenue, Suite 100 Bloomfield Hills, Michigan and had a number of connections to the DIA and the Detroit community.
- b. Christie's received unusually strong negative feedback from both the Museum community and the art industry by merely conducting an appraisal. A very different degree of market pushback than what they are receiving from the sale of art from the Delaware Art Museum, a much more limited situation that is not affecting the viability of the Institution. It remains an open question if Christie's owner, Francois Pinault, would want to risk the brand he has so carefully nurtured in the global museum and collecting community by participating in a liquidation of all or part of the DIA's holdings, regardless of the possible financial gain to the business. Moreover, were Sotheby's first to take the position that it would not accept this business based on its history with the City of Detroit and the DIA described above, Christie's and its management would be under even greater pressure not to involve itself in any liquidation of the DIA collection.

Art critics and online commentators are blasting Christie's, the New York-based auction house, for possibly angling for a piece of the action should the Detroit Institute of Arts have to sell part of its collection to satisfy creditors in the city's bankruptcy.... Culture reporter Judith Dobrynski on Tuesday compared Christie's behavior to a vulture. "Shame on Christie's," she wrote on her blog Real Clear Arts. "Sure, business is business, but let's remember here that it is not the Detroit Institute of Arts that has mismanaged the city and led to the bankruptcy.... Is Christie's so hard up that it will take any business, no matter how reprehensible?"

Some other art world insider, who declined to speak on the record to the *Free Press* because of the sensitivity of the situation, privately characterized Christie's actions as predatory. They noted the company was risking possibly alienating other museums, which buy and sell work through the major auction houses all the time. (Detroit Free Press, *Christie's under Fire for Visit to Detroit Art Museum*, Mark Stryker, July 25, 2013.)

- c. The Impact of Not Selling through Sotheby's or Christie's is a subjective number to calculate, as some artists such as leading Impressionist and Modern artists such as Picasso, Cezanne and Van Gogh are almost exclusively sold at Sotheby's and Christie's. Nevertheless, I estimate that the impact of selling the DIA collection through an auction venue other than these two houses would result, at a minimum, of a loss of value of 20% to 40%. (Refer back to Paragraph 29.).

Effect of Market Capacity

47. Selling a large block of property into a market that exceeds its liquidity or capacity is a high risk strategy. Even the most liquid of the sectors, PWC and Impressionist & Modern, have capacity limitations.

a. Key Sectors of the DIA Collection versus 2013 Sales Totals by Sector at Sotheby's and Christie's:

TABLE 5

DIA Collection Values vs. 2013 Sales Volume at Sotheby's and Christie's						
Values in 000's / Units as Stated						
Sector	DIA Estimated Value -- Mid Estimate	Sotheby's & Christie's Sales Value 2013	DIA as % of 2013 Sales	DIA Collection No. of Works	Sotheby's & Christie's Sales Units	DIA as % of 2013 Sales
American Art Pre-1950	\$ 526,075	\$ 249,186	211.1%	2,681	701	382.5%
Contemporary Art After 1950 (PWC)	\$ 586,401	\$ 3,373,174	17.4%	2,359	7,396	31.9%
Impressionist and Modern Art	\$ 856,176	\$ 2,499,410	34.3%	546	5,418	10.1%
European (19th C and Old Master) Paintings	\$ 1,012,564	\$ 547,822	184.8%	786	3,049	25.8%
Source: Data from Sotheby's and Christies, Calculation by Artvest						

48. At the highest end in many subsectors, there is a small number of collectors, in some subsectors as few as one or two, who will be ready, willing and able to pay fair market value for a work of art at a given point in time. Therefore, a longer term selling plan is deemed desirable in the art market.

a. Though exact numbers of how small the buyer base is at both Sotheby's and Christie's is closely held proprietary information, it is a significant enough risk that Sotheby's mentions it in the Business Risk section of its Annual Financial filings with the SEC and has listed this as an important business risk since its Initial Public Offering Documents in 1989.

Sotheby's relies on a small number of clients who make a significant contribution to its revenues, profitability and operating cash flows.

Sotheby's relies on a small number of clients who make a significant contribution to its revenues, profitability, and operating cash flows. Accordingly, Sotheby's revenues, profitability, and operating cash flows are highly dependent upon its ability to develop and maintain relationships with this small group of clients, as well as the financial strength of these clients.

Effect of Longer Term Sale Process

49. For a collection of the magnitude of the DIA's, maximizing art asset value (and preventing an Immediate Liquidation discount or Blockage discount) requires selling over a minimum of five to eight years, which would require a present value discount. (Refer to Exhibit F)

- a. In 1974 the British Rail Pension Fund ("BRPF") decided to diversify its investment portfolio by investing in art. At the time, it was one of the largest pension funds in the UK and was looking to mitigate the effect of high inflation and poor performance in the equities market at the time. From 1974 to 1980 the fund invested a total of £40 million (US \$ 68 million at current exchange rates). Initially art was purchased across fifteen categories of art as a long-term "buy and hold" investment. When the management of the Fund changed in 1987, the Fund decided "to dispose of the entire portfolio of works of art and made plans for a carefully controlled program of sales to be implemented over a period of years." The fund began liquidation in June 1987 and completed its last sale in June 1990, over a period of three years for a total return on investment of 11.2%. (Source: Fine Art and High Finance, Art Funds, Jeremy Eckstein and Randall Willette.)
- b. As the BRPF was only a fraction (less than 5%) of the value of the DIA collection, and unlike the DIA, none of the art in its categories exceeded the annual turnover in a single sector, I feel it would be a conservative to estimate that an orderly liquidation of the DIA collection would require nothing short of five to eight years.
- c. I use the following assumptions in calculating the present value discount:
 - i. Eighteen months to two years to adequately catalogue, research and perform full due-diligence on the full collection and determine an appropriate selling strategy;
 - ii. Sales take place through public auction over a five-year period
 - iii. Sales are front-load in the first years of liquidation
 - iv. Sales or brokerage fees would be captured on the buyers' side, and the DIA would be charged nothing;
 - v. Annual expense to the City of \$6 million, decreasing in later years as objects are sold, related to storing, insuring and administering the art collection until it was fully liquidated;
 - vi. A discount rate of 12% based on the volatility of the art market
 - vii. No delays imposed by court challenges to the DIA de-accessioning, which could push this liquidation out to years seven to twelve or later.

Potential Impact of Litigation

50. As precedent indicates, if the DIA were forced as a result of a court decision to sell its collection to settle debts that are not its own and either diminish or close the institution to pay off City debt, it is likely to face formidable legal obstacles and prolonged litigation, not unlike the 5½ year delay outlined with Fisk University outlined below.

a. Though the City of Detroit / DIA situation is unprecedented, the events surrounding the planned liquidation resulting from Brandeis University's January 2009 decision to close the Rose Art Museum and sell off its entire holdings have valid parallels:

i. The decision was taken to close the Museum by the University as a step to shore-up the University's, not the Museum's, finances. Like the potential outcome for the DIA, it was not a step taken voluntarily by the Museum itself as to controversy and potential legal action.

ii. The decision was denounced by the Museum's Board, its Directors and "a wide range of art experts, who warned that the university was cannibalizing its cultural heritage to pay its bills." *The New York Times, Outcry Over a Plan to Sell Museum's Holdings*, Randy Kennedy and Carol Vogel, January 28, 2009.

iii. The Massachusetts Attorney General announced an investigation of the action within two days of the University's announcement of the planned sale.

iv. Within six months of the announcement, three overseers of the Rose Art Museum filed a lawsuit in the state court in Massachusetts seeking to halt the University's plan to close the Museum and sell its art. *The New York Times, Lawsuit Seeks to Save Art Museum at Brandeis*, Randy Kennedy, July 28, 2009.

b. By June 30, 2011, Brandeis settled the lawsuit by announcing that the Rose Museum will remain a "university art museum open to the public," and that it had "no aim, plan, design, strategy or intention to sell any artwork donated to or purchased by" Brandeis for the Museum. *The New York Times, Brandeis Settles Suit Over Proposed Art Sale*, Randy Kennedy, June 30, 2011.

c. Based on other Museum de-accessions to pay debts, court challenges are likely from the Michigan Attorney General, the DIA, the DIA corporation and numerous donors or their heirs, which could last as long as five years or more, as was the case with the sale of the Fisk-Stieglitz collection. As came about in the Fisk-Stieglitz case which involved a gift from an estate adjudicated in New York but given to a University Museum in Tennessee, these court cases will not only take time, but are likely to span multiple legal jurisdictions. Even a sale of COD property is likely to be challenged by the Michigan Attorney General, based on public comments he has already made on the matter.

d. Any art transaction cannot occur unless there is evidence of clear title, and any pending, or anticipated threat of challenges to title will prevent sales transactions. Thus, if a Court decision led to an action to sell art from the DIA collection, it is extremely likely that no monies, other than a deposit, and no art, would change hands until all such clouds on title were cleared in the courts.

Potential Impact of Controversy or Market Disfavor

51. The combination of a weak market sector and controversy surrounding a museum divestiture can have a negative impact on a sale result.

a. The painting sold by the Delaware Art Museum on June 17, 2014, *Isabella and the Pot of Basil*, was estimated to sell for a low estimate of nearly \$8.5 million, but instead sold for \$4.3 million including the Buyer's Premium, the commission that goes to the auction house.

After deducting that, the Delaware Museum will most likely have netted \$4.2 million, or only 49% of the low estimate.

CHRISTIE'S

WILLIAM HOLMAN HUNT, O.M., R.W.S. (1827-1910)

ISABELLA AND THE POT OF BASIL



Lot 6 / Sale 1545

Price Realized

£2,882,500 □ (\$4,891,603) □ Sales totals are hammer price plus buyer's premium and do not reflect costs, financing fees or application of buyer's or seller's credits.

Estimate £5,000,000 - £8,000,000
 (\$8,495,000 - \$13,592,000)

b. Whether this poor result is a function of the unevenness of the 19th Century Paintings market, or the controversy surrounding the Museum, or both, is difficult to ascertain, though otherwise the sale did very well, and "Isabella and the Pot of Basil" was heavily promoted with a coveted spot as the cover image of the auction catalogue.

Peter Brown and Harriet Drummond, International Heads of the department [Christie's], commented: *"Our £10.1 million sale today far exceeded the pre-sale low estimate of £8 million and was 90% sold by value and 77% by lot. The King Street saleroom was packed tight with collectors who joined with the many telephone and online bidders to contribute to the best sell-through rate and the second highest total for a decade in this category. (Source: Christie's website.)"*

c. On the occasion of the sale of this painting (See Exhibit D-6), the Association of American Museum Directors issued a statement enacting sanctions against the Museum: "With this sale, the museum is treating works from its collection as disposable assets, rather than an irreplaceable cultural heritage that it holds in trust for people now and in the future." Further, it called on its member museums to "suspend any loans of works of art to, and any collaborations on exhibitions with, the Delaware Art Museum, until notified by us that the sanction have been suspended or removed."

52. There is a significant difference between a DIA liquidation as a result of a court decision and others such as the Delaware Art Museum, the New York Historical Society, and Fisk University.

- a. In all of the above examples, the Institution's Board of Directors voluntarily took the decision to sell property to financially stabilize their respective institutions. In the instance of the DIA, any type of sale would weaken or cripple the existing Institution, and would be forced upon it as a result of a court decision.
- b. In the most recent sale from the Delaware Art Museum, the Institution is selling property that had been purchased by the Museum and not that which had been gifted by Museum donors.
- c. In the instance of the sale of the New York Historical Society, the Attorney General of New York intervened to ensure provisions that gave other New York State Institutions a "right of first refusal," which the Metropolitan Museum of Art exercised to keep an important Masterwork in New York.
- d. In the instance of the de-accessioning of the Stieglitz Collection by Fisk University, the Attorney General of Tennessee spent 5 ½ years litigating against a sale by Fisk, which ultimately resulted in significant constraints on the sale and a sharing arrangement with Fisk and the Crystal Bridges Museum for \$30 million.
- e. Separately, there is also the case of the Albright-Knox Museum's de-accessioning in 2006. This stands out from the other examples as the funds raised from the sale of works of art were used for an endowment to pay for new works in a different sector (Contemporary). While this decision was not without some controversy still, the sale was within the guidelines of the AAMD, and there were no sanctions or litigation.

53. It is difficult to quantify the risk to the value of the sale of the DIA collection, in whole or in part, due a negative reaction to a forced liquidation in the marketplace. However, there is one notable example of "market backlash" where market disfavor resulted in highly negative financial results, as well as particular concern I note about the American Art.

- a. Christie's Auction of Orientalist Paintings (exclusively romantic scenes of Arabian life, a sub-genre of 19th Century European Art) on October 30, 2001, less than two months after the 9/11 attack on New York, resulted in an unsold rate of 68.4%, or the sale of only 6 out of a total of 19 on offer that day.
- b. It is likely that a sale of the European Art in the collection will be able to find an audience of collectors and institutions in Europe, the Middle East and Asia and even some collectors in America, who might be less concerned about purchasing works that would denude a major American Museum. However, this would not be the case with the significant holdings of American Art pre-1950 in the DIA collection (13.4% of the total). American Art from this period is collected exclusively by American institutions and collectors and not at all by overseas buyers or institutions. American art collectors are older, more traditional and generally highly patriotic. Thus sales in this sector of the collection are likely to be more seriously impacted than any other by the negative publicity related to a liquidation of the DIA collection. I believe that in other sectors, there is a large

enough proportion of non-American collectors that the controversy of the liquidation of an American Museum will have a far less significant impact.

The Potential Impact of a PWC Market Sector Crash

54. The art market is prone to “crashes.” Certain sectors such as PWC are more volatile than others, and as indicated earlier, in 2008, this sector fell by as much as 50% in both value and volume. With as much as \$ 586 million (at a mid estimate) in the DIA collection, were such a correction to occur in the midst of a DIA liquidation, it could have a meaningful impact on the outcome, or alternatively, delay the liquidation if a decision to wait out the downturn, were even possible.

a. If the DIA liquidation does transpire in an orderly fashion over a longer time period or is delayed by litigation, it is likely that at some point the Post-War and Contemporary Sector will experience another price correction given its historic volatility. Based on the market performance in 1990/91 and 2008/09, such a correction would result in a 50% drop in prices for some period of time. If such an event were to take place during a DIA liquidation, the manager of the liquidation would be forced to choose between holding work off the market until prices rebounded or accepting a drop in value in DIA holdings in this sector of \$293 million. In 2008/09, prices rebounded within two years. However in the crash of 1990/91 prices did not fully rebound for over a decade.

55. All Scenarios in Table 6 are based on the mid estimate and in Table 7 on the low estimates.

- a. Scenario A: Application of Immediate Sales (or Blockage discount Factor). This type of event precludes and overrides any other discount factors. However, as the sale of DIA property is very likely to be delayed by litigation, even an Immediate Liquidation may not be an option for a number of years. A Present Value Calculation is not employed in this scenario. This scenario marginally provides the highest return of the four scenarios.
- b. Scenario B: Application of all other discount factors other than the Immediate Sales Factor. This would be a fully loaded scenario, a less likely but possible instance, where all of the negative market factors would align, including Market Disfavor and a crash in the PWC sector, in the context of a sell-off the DIA collection. It also does not take into account the potential for a lengthy delay in a sale due to litigation, or a Present Value discount resulting from such a delay.
- c. Scenario C: Scenario C, where the DIA collection is sold over a five year period to maximize value, provides the second highest returns, calculated at Present Value. It does factor in Unsold works, which then are reoffered three years later at a 20% discount (an assumption based on industry practice). This scenario is also unlikely, as it does not allow for any delay due to litigation. It is worth noting how close in value this scenario is to Scenario A, which suggests that the Immediate Sale discount, a long time art industry standard, approximates the Present Value of a longer sale over time.
- d. Scenario D: Scenario D uses the same assumptions as Scenario C. However, in this scenario, I factor in the likely impact of litigation in delaying the sale of the collection by five years, similar to the Fisk-Stieglitz case. It is my opinion that this is the most likely scenario of the four, as the Fisk-Stieglitz case involved only the AG of Tennessee; in a DIA

case there likely would be challenges from multiple parties and possibly in multiple legal jurisdictions.

TABLE 6, APPLICATION OF DISCOUNT FACTORS, MID ESTIMATE

Application of Discount Factors / Mid Estimate		Scenario A	Scenario B	Scenario C	Scenario D
	000s				
Gross Indicative Value of the DIA Collection (Mid-Estimate)		3,684,466	3,684,466	3,684,466	3,684,466
Discount Factor: Immediate Sale	50%	(1,842,233)	N/A	N/A	N/A
Discount Factor: Unsold Rates		N/A	(939,290)	(Note 1)	(Note 1)
Discount Factor: Not Selling Through Sotheby's or Christie's	20%	N/A	(736,893)	(Note 2)	(Note 2)
Discount Factor: Present Value of Selling in Orderly Liquidation (without Litigation)		N/A	N/A	(1,853,547)	N/A
Discount Factor: Present Value of Selling in Orderly Liquidation (with Litigation)		N/A	N/A	N/A	(2,539,108)
Net Indicative Value		1,842,233	2,008,283	1,830,919	1,145,358
Other Potential Discounts More Difficult to Predict					
Discount Factor: Market Disfavor on American Sector of up to	50%		(263,038)		
Discount Factor: Market Crash in PWC Sector	50%		(293,201)		
		1,842,233	1,452,045	1,830,919	1,145,358
Note 1: Unsold Rates Included in Present Value Calculation					
Note 2: This Fact Is Not Applied in Present Value Calculation					

TABLE 7, APPLICATION OF DISCOUNT FACTORS, LOW ESTIMATE

Application of Discount Factors / Low Estimate		Scenario A	Scenario B	Scenario C	Scenario D
(000's)					
Gross Indicative Value of the DIA Collection (Low Estimate)		2,760,978	2,760,978	2,760,978	2,760,978
Discount Factor 1: Immediate Sale	50%	(1,380,489)	N/A	N/A	N/A
Discount Factor 2: Unsold Rates		N/A	(705,448)	(Note 1)	(Note 1)
Discount Factor 3: Not Selling Through Sotheby's or Christie's	20%	N/A	(552,196)	(Note 2)	(Note 2)
Discount Factor 6A: Present Value of Selling in Orderly Liquidation (without Litigation)		N/A	N/A	(1,394,755)	N/A
Discount Factor 6B: (with Litigation)		N/A	N/A	N/A	(1,910,943)
Net Indicative Value		1,380,489	1,503,334	1,366,223	850,035
Other Potential Discounts More Difficult to Predict					
Discount Factor 4: Market Disfavor on American Sector of up to	50%		(193,108)		
Discount Factor 5: Market Crash in PWC Sector	50%		(230,083)		
		1,380,489	1,080,143	1,366,223	850,035
Note 1: Unsold Rates Included in Present Value Calculation					
Note 2: This Fact Is Not Applied in Present Value Calculation					

56. Based on the above application of discount factors in TABLE 6, I conclude that the range of values the DIA collection will sell for, using the mid estimate values, would be between \$1.1 billion for the present value of an orderly sale after a prolonged litigation (the most likely outcome, Scenario D) to \$1.8 billion for the present value of an orderly liquidation without litigation (Scenario C), a less likely outcome.

57. In TABLE 7, based on the above application of discount factors on the low estimate value, I conclude the range of values would be between \$0.9 billion for the present value of an orderly liquidation after a prolonged litigation to \$1.4 billion for the present value of an orderly liquidation without liquidation.

Potential Impact of a Sale of Most Valuable Works

58. Selling the most valuable works in the DIA collection would deprive the museum of its core attraction, drastically reduce attendance and related revenues, drive away potential donors of future gifts and endowments, and in all likelihood, ultimately force the closure of the DIA due to a loss of economic sustainability, resulting in a full liquidation.

59. The work that is most valuable financially is that which keeps the interest of visitors as well as future donors. Rather than being a museum of national and international standing which draws over 500,000 visitors a year, should the DIA be stripped of the master works that are at the heart of its collection, it would be relegated to the status of a small regional

museum likely to lose both its visitor and tax subsidy, and it would lose its ability to raise the endowment needed within the eight-year period to substitute for the tax subsidy it currently receives.

“...When a donor expressly intends for an art collection to benefit the community, then conversion of that collection into cash for general operations deprives the community of the cultural enrichment provided by the collection. And when potential donors see that express instructions are not followed, then they are more likely to take their gifts to another jurisdiction, or not make a gift at all.” *De-accessioning and Donor Intent – Lessons Learned From Fisk’s Stieglitz Collection*, Robert Cooper, Attorney General, State of Tennessee, February 7, 2013, Charities Regulation and Oversight Project Policy Conference.

VII. Critique of Houlihan Lokey Analysis and Indication of Interest

"In private conversations, leading art intermediaries have indicated that while some significant bequests may be subject to meaningful encumbrances restricting the ability of the City to monetize the works, it is likely that a significant portion of donated works, or works acquired with dedicated monetary donations, have no meaningful encumbrances." -- Houlihan Lokey, *Detroit Institute of Arts Summary of Activity*, April 2014,

60. The sale of the DIA collection faces three levels of obstacles before works can be sold:

- a. An auction house will not accept an item for sale unless the seller can convey free and clear title. This is a standard provision of any auction house consignment contract, and thus property with the prospect of pending or future litigation clouding title will not be acceptable for sale until such issues are cleared in the courts
- b. Given comments previously made by the State of Michigan's Attorney General, it is likely that the Attorney General will take legal steps to prevent a sale of any works from the DIA collections that he has deemed to be held in "public trust."
- c. Heirs of former donors as well as current donors, many still prominent leaders in the Detroit community, and the DIA corporation itself, are likely to pursue every legal option necessary to stop or delay the sale of any of the art, potentially leading to years of litigation.

"Indications of Interest - Process Summary"

61. Of 38 parties contacted to issue submissions of interest, only 4 parties (10%) did so, despite the high quality and the perceived potential value of the collection. I believe this low number of offers, and the nature and quality of the offers, is indicative of the perceived limitations and likelihood of prolonged litigation should a sale of any of the DIA collection be attempted.

"To the extent the Christie's sample can be viewed as representative of the broader DIA collection, the implications are that the residual 95% of the collection could be valued from \$11 billion to as much as \$21 billion."

62. This is a number derived from a simplistic calculation, which has no bearing on the nature of value distribution in the art market, art sectors, or in the museum's collection itself, but is rather only a crude extrapolation of value derived by dividing the Christie's valuation by the percentage of COD objects in the total collection (2,700 / 66,000 or 4.09%).

"Formal Indication of Interest Summary"

63. Poly International Auction House is a government and military owned auction house in mainland China that recently has become the number one auction house in China and frequently takes principal positions in works of art that it sells at auction.

64. I believe that its bid of "up to \$1 billion" is purely speculative and based on the success of the Albright-Knox property de-accession in 2006. In my view, the Asian Art collection of the DIA is not up to this standard, and consequently, after Poly had

conducted their full due-diligence as stipulated in their offer, their bid would be either non-existent or a fraction of this figure.

65. **Yuan Capital.** I have been unable to find much information on this firm or their intentions with regard to a purchase of the DIA collection, but I believe it is likely that their motivation and interest is similar to that of Poly International and that their interest may wane once they became more knowledgeable about the weakness of the DIA's Asian Art collection.

66. **Art Capital Group.** As discussed at length in the borrowing option in the section on Christie's recommendations for monetization, the borrowing option is not financially tenable and thus would be in effect, the selling of the entire DIA collection to Art Capital Group for \$2 billion (or less depending upon the results of their due diligence).

67. **Catalyst Acquisitions / Bell Capital Partners.** Based on their offer of \$1.75 billion, I believe that they are working on an assumption, similar to that of Art Capital Group, that the entirety of the saleable collection is \$4 billion. As "value of final offer to be dependent on development of a final definitive schedule of collection assets to be acquired," this number really has little meaning but is just an assumption to get in the door and a seat at the negotiating table.

"Instead of continuing to burden Detroiters, a DIA de-accessioning offers the potential for asset value realization that the City might use to consensually satisfy creditor claims while liberating additional sources of capital to catalyze the City's reinvestment initiatives—including investments in a reconstituted DIA or such other arts institutions the City's leadership deems more relevant to the City's rehabilitation."

68. The DIA, far from being less "relevant" to the City's rehabilitation, is actually central to it.

a. As described below in section IX, Cultural Impact, an important art museum is a valuable, contributing asset to the economic health of the city in which it resides. It is difficult for me to imagine what midtown Detroit would have as anchor attraction for renewal and future growth without the DIA or without the status of its world-class collection still intact.

b. HL itself undercuts its own argument for the full or partial liquidation of the collection by further stating, "The DIA routinely ranks among the top 5 in the United States and is recognized globally for the high quality of the artwork in a broad spectrum of subject areas."

c. Far from being a burden, such world-class collections provide a significant financial return to their city in terms of tourist expenditures. For example, "Out-of-town visitors who toured the Metropolitan Museum of Art spent an estimated \$5.4 billion in the year that ended June 30 2013." Agovino, Theresa. "Met Museum Cites Its Economic Impact," *Crain's: New York Business*. 7 Oct. 2013, Web, 30 June 2014.

While the DIA is not the Met, and Detroit is not New York City, it is comparable in that its world class collection can be marketed and promoted as a cornerstone to attract visitors to the city. The Metropolitan Museum is the top-ranking tourist attraction in New York City, drawing in 6.2 million visitors a year to a city with a population of 8.37 million; it attracts a visitor base, both local and foreign, equivalent to 74% of the city's population. The DIA has

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an even stronger metric; it attracts a visitor population of approximately 594,000 in a city of 701,000, a visitor base equivalent to 84.7% of the city's population.

“The Detroit Institute of Arts, which under the leadership of Graham Beal continues the good fight against a forced sale of works in its collection, just missed the top 100 museums with 594,267 visitors, up from 429,000 in 2011. It came in 102nd [in 2013].” The Art Newspaper, Special Report, [Global] Visitor Figures 2013. □April 2014.

VIII. Critique of the Christie's Recommendations for Monetization

69. My review of the Christie's Recommendations for Monetization leads me to the conclusion that Christie's was, by the time they completed this section of their report, disincentivized to develop this line of argument fully, possibly due to market backlash from the DIA and other art market participants. Additionally, while the firm has many of the leading art specialists in the industry, for this type of unique monetization analysis, the firm no longer has the in-house intellectual capital, which would normally have provided the research and economic resources for such recommendations, having disbanded its Financial Services group in 2009 during the last market downturn.¹

a. Lacking from Christie's' recommendations are critical details, even high level assumptions, such as the amount of money that could be raised, timelines to accomplish the recommendations, upfront investments, legal, administrative and other expenses required to implement them, and very little on overall feasibility in the context of the demands of a chapter 9 restructuring.

Christie's Recommendation 1: "Use City-Owned Works as Collateral for Loan or Line of Credit"

70. This is not economically viable. It is, in effect, replacing one type of debt with another without resolving the underlying financial limitations of art as an illiquid asset or defining the revenue sources that would service the debt.

a. If I were to use the example of the loan offered by Art Capital Group ("ACG") in the HL document provided by the Creditors, the financials would likely look like this:

Art Capital Group Loan Offer for DIA (000's)	
Value of DIA Collateral Required	4,000,000
Loan Amount	2,000,000
Annual Interest (6 - 9%)	9%
Per Annum Agent fee	0.50%
Effective Annual Rate	9.50%
Annual Interest Payment	190,000
Origination Fee Year One	1.25%
	25,000
Year One Fee & Interest	215,000
Subsequent Years Interest Only	190,000

¹ I was a Senior Vice President and CFO of Christie's Financial Services Group until 2009. All member of the Group, including me, were terminated at that time. Immediately thereafter, I co-founded Artvest Partners with Jeff Rabin, another former member of Christie's Financial Services Division.

b. Standard loan-to-value ratios for art loans, most especially “asset-backed” loans, permit a maximum of 50% of the low estimate of what the collateral would sell for at public auction. For example, if the DIA were to take out a loan on COD only, the low estimate provided by Christie’s would be the total value against which a loan could be secured: \$454 million, resulting in a total potential loan of only \$227 million.

c. In order for the DIA, or the City of Detroit, to borrow the full \$2 billion stipulated in the ACG indication of interest, it would require that the value of the DIA’s entire collection reach a minimum amount of \$4 billion. Otherwise, ACG or any other type of asset-backed lender will lower the amount lent to 50% of the lowest appraised value of the collection after the lender has completed an extensive round of due diligence to determine its own sense of potential liquid value, a process, given the volume of property, that might take as long six to nine months.

d. Though ACG has quoted an annual interest and fee range of 6.5 – 9.5%, given the fee structures of most asset-backed lenders as well as the cost of the capital that ACG is likely to have to avail itself of to fund such a large deal (one that would be of unprecedented size in the art industry) it is likely that the loan will be at the higher end of the quoted range, or 9.5%.

e. At this higher rate, on a \$2 billion loan, the DIA would need to pay interest and fees of \$215 million in the first year of the loan and \$190 million every year thereafter.

f. The Christie’s proposal for monetization through a loan neither contemplates the source of revenue to service the debt annually, nor where the capital would come from to ultimately pay down the loan at the end of its term. Given the dire consequences of default, discussed below, this is a significant omission in such a strategy.

g. Most asset-backed lenders have extreme provisions for the lender in a situation of default, levying both higher interest rates and onerous “agency” fees to liquidate the property. If such a situation came to pass, the DIA would find itself in the midst of a forced liquidation of the collection on the lender’s terms. In the art industry, such lenders are often referred to as “loan to own.”

Like most things in the art (and finance) world, you have to have money to make money, and for those without significant capital to back up their art holdings, not all loans are created equal. Unless you have a collection worth \$200 million, a balance sheet that goes significantly beyond that, and a good relationship with one of the private banks that are increasingly offering art loans as part of their service packages, you are unlikely to secure the kind of rate Steinhardt took advantage of. You are more likely to end up paying [44 percent to Art Capital Group](#), as photographer **Annie Leibovitz** notoriously did after using [her own photographs as collateral](#). (*Blouin Artinfo, Navigating the Art Loan Biz, A Surging Industry Attracting Both Big Banks and "Loan-to-Own" Sharks*, Shane Ferro, April 12, 2012.)

Christie's Recommendation 2: "Identify a Partner Museum for Long-Term Lease of City-Owned Works of Art"

71. This option would have the same effect of depriving the DIA of some of its most prized works, yet for far less of the financial benefit. Based on deals made with other partner museums, Guggenheim Museum & Bilbao, Guggenheim & Abu Dhabi, and the Louvre & Abu Dhabi, such an arrangement would be unlikely to net more than \$20 million to \$100 million in total for a 10- to 15-year deal and would result in the removal of many high value works from the walls of the DIA.

a. Bilbao & Guggenheim. The Basque government agreed to pay the Guggenheim Museum \$20 million (two payments of \$10 million each in 1992 and 1993.); to provide a \$50 million art acquisition fund; to fund the \$100 million construction cost of the Museum; and to fund its annual operating budget of \$12 million.

b. The Louvre Museum & Abu Dhabi. This financial arrangement is the most lucrative on record: \$512 million for the use of the Louvre brand and an additional \$747 million broken out as follows: \$247 million for rotating between 200 and 300 artworks through the Louvre Abu Dhabi during a 10-year period; \$214.5 million for management expertise over 20 years; and \$253 million for four temporary exhibitions a year for 15 years, and a direct donation of \$32.5 million to the Louvre to refurbish a wing of the Pavillon de Flore for the display of international art.

c. It is important to note that of these four buckets of revenue being paid to the Louvre, only one, providing 200 to 300 artworks, would be even a remotely viable option for the DIA. And even that would come at cost to the viability of the institution. Whereas the Louvre is able to draw objects from the thousands of masterworks in its own collection, the Musee D'Orsay's, and Versailles, the DIA would be able to draw only from its collection of Masterworks (or what we would refer to as High Value Items) of approximately 400 to 500 items, and of that, approximately 80 to 100 items of important American Art pre-1950, would be of little interest to museums outside the US. With regard to the other options, the DIA brand is not a saleable brand, particularly given the current circumstances; nor does it have the depth of administrative staff to provide management expertise to another institution at the same level as the Louvre, or the programming of temporary exhibitions for a satellite institution, which is an extremely labor intensive undertaking.

d. Guggenheim & Abu Dhabi. It is unclear what the compensation structure is between the Guggenheim and Abu Dhabi. The government of Abu Dhabi is assuming all costs of building the Frank Gehry building, funding the new museum's annual operating budget, and providing a substantial acquisition budget similar to the arrangement for Bilbao. Thus it would not be unreasonable to expect that the Guggenheim was receiving similar compensation or slightly more than it did for Bilbao. There is no indication that the Guggenheim is receiving compensation comparable to the Louvre.

e. Crystal Bridges. This Museum has entered into a partnering arrangement for with the Fisk-Stieglitz collection for a total of \$30 million. A separate ownership entity was established to hold the collection, in which Fisk and Crystal Bridges each own a 50% stake. It is quite possible that Crystal Bridges would be interested in a similar arrangement with the DIA for its American Art pre-1950 collection and/or its collection of Post War and Contemporary Art. However, this would come with two important caveats: the first is that it would mean removing a large number of high value works from the DIA's walls for

extended periods of time, and the second is that in the category of American Art pre-1950, Crystal Bridges is the largest buyer in the marketplace and can and will use its buying leverage to negotiate a good bargain for itself, thus raising the question, just how much could the DIA get for lending its collection, \$50 million, \$100 million, or \$200 million? It is hard to imagine Crystal Bridges providing amounts meaningful enough to significantly move the needle on creditor debt relative to what would be lost by the museum and the City of Detroit.

f. Qatar. Based on reports in the press, all indications are that unlike Abu Dhabi, this country is working very independently on its own art and cultural projects and has expressed no interest in partnering with other institutions.

g. None of these considerations of lending art from the DIA, either on a long or short term basis, take into the account for the risk of loss or damage. Particularly with some of the more valuable work in the collection, such as the Breughel, such a risk is important to consider.

Christie's Recommendation 3: "Create a "Masterpiece Trust" to be Accessed by Members of a Museum Consortium"

72. In the absence of specific numbers and institutions, this recommendation is a bit too "blue-sky" to be substantively helpful. Moreover, at a time when the better-funded museums are pursuing their own individual expansion and building plans, the number of museums able to participate would be few to non-existent. Moreover, this type of entity would most likely be limited to DIA's fellow American institutions, further narrowing the universe of likely participants, as overseas institutions would be even less likely to feel obliged to spend scarce funding on such a radical, untested idea, simply to save the DIA from the City of Detroit's predicament.

73. This entity would require time and funding to establish and administer, and given its unprecedented nature, it would be difficult to establish reliable fund raising targets, expense projections and timelines.

74. Given the financial constraints on other US Museums based on their own ambitious plans for expansion, it is not likely that this idea will ever get traction.

a. The Houston Museum. With one the largest endowments among American Art Museums (third behind the Getty and the Metropolitan Museum of Art), the Houston Museum is currently committed to a \$250 to \$350 million building project to create new galleries for art after 1900.

b. Museum of Modern Art. This institution is about to undertake another major building expansion, which is likely to cost in the hundreds of millions of dollars. (The previous overhaul nine years ago, cost \$850 million).

c. The Metropolitan Museum. This Museum announced a gut renovation of its Modern and Contemporary Wings in time to house the \$1 billion gift of Cubist art from Leonard Lauder. A budget has not been released, but it too is likely to cost in the range of hundreds of millions of dollars.

- d. The Whitney. In the final stage of completing its new building on the High Line in downtown Manhattan, the Whitney projects that the new building is going to cost \$422 million. At the same time, they are raising \$200 million in additional funding for their endowment and \$133 million to expand their arts and educational programming.
- e. San Francisco MoMA ("SFMOMA"). This institution has nearly completed raising \$610 million for a new building complex and an expansion of its endowment.
- f. The Los Angeles County Museum of Art ("LACMA"). LACMA has announced that it is planning a new museum building on Wilshire Boulevard, which it estimates will cost at least \$450 million, and another \$200 million for contingencies and operating expenses.
- g. The Getty. This institution has committed to partnering with the Mellon foundation to contribute \$10 million to the Grand Bargain. It is extremely unlikely that they would participate in any effort that would undermine or unravel that arrangement in order to share in the art more directly themselves.

Christie's Recommendation 4: "Sale and Permanent Loan or Gift"

75. This is a multi-year, major fundraising endeavor. It is in effect, the same as raising funds from philanthropists to name works on their behalf. As the purchase would be restricted in terms of future sale or loan, it could not be considered a "real" asset for purposes of inheritance, future liquidity or borrowing; thus, its appeal would be limited to a small number of philanthropists who most likely are already pre-disposed to assist the DIA or are already doing so. It is hard to imagine how this type of program would attract a new type of donor who is not already supporting the institution.

- a. Again, refer to the examples given above. The philanthropic community in the US outside of the Detroit area is being fully tapped for high-level building projects on both the east and west coasts. There is an enormous amount of fundraising competition, a new building is far more attractive to a potential donor, and "purchasing" a painting is not really a purchase but just preserving a painting that is already owned and hanging on a wall in the DIA.

Christie's Recommendation 5: "Traveling Exhibition of Select Works"

76. By Christie's own admission, this a less than desirable alternative, as such exhibitions are "costly to mount" and raise very little relative to their total expense. Such revenues range from as little as \$20,000 for small exhibitions to \$600,000 for blockbuster exhibitions, with loans from an array of prominent international museums.

- a. Such numbers were verified by Artvest in conversations with a number senior finance officers at leading New York Art Museums. A point that was repeatedly made was that such special exhibitions require an enormous up front investment of curatorial time. To reach the upper limits of revenue for a touring exhibition, it needs to be a global exhibition, with works of art borrowed from institutions around the world. Those touring exhibitions that repurpose works from a museum's permanent collection tend to garner revenues more towards the bottom of the range. Given the DIA's current limitations, it is likely that this latter scenario would be the case for its travelling exhibitions.

IX. Cultural Impact

77. The DIA could serve as the centerpiece and symbol of the City's restructuring, a hub for a new artist and cultural community in Midtown Detroit, one along the lines of how the Brooklyn Museum has become a focal point in that Borough's renaissance as a center for artists that has come to rival, even surpass Manhattan – in large part due to the relative cheapness of its real estate in conjunction with its affinity toward, and support of, an arts-related culture.

- a. Take for example, the so called "Bilbao effect" with regard to the Basque's Government backing of such a "pharonic" project:

When the Guggenheim project was brought up for debate, however, the Basque Government had more than culture in mind. It argued that, after a grim 15 years in which the closing of steel plants, shipyard and port facilities had swollen unemployment, the museum would serve as both motor and symbol of economic revival and urban renewal. It also appealed to Basque nationalist pride, promising that a world-class museum showing the best of the Solomon R. Guggenheim Foundation's collection and drawing perhaps 500,000 visitors a year would put the city on the map. *The New York Times*, *A Gleaming New Guggenheim for Grimy Bilbao*, Alan Riding, June 24, 1997.

- b. While it is true that Bilbao was not only a Museum but also an architectural novelty, the quality of the collection was a critical factor in drawing the crowds to Bilbao; an empty museum could not.

It is evident that the Basque government, although criticized early on for gambling on the Guggenheim to revive the economy, made a wise and timely investment that yielded a huge return. A breakdown of the economic activity in Bilbao in 1997 and 1998 illuminates the extent of this return. In 1997 approximately \$120 million was spent in the food service sector. In 1998 that total increased to approximately \$160 million. Also in 1997, an estimated \$75 million was spent on purchases in local shops, \$60 million on hotels, \$15 million on fuel and transportation, and \$17 million in the museum itself. *Financing A Global Guggenheim Museum, A Thesis*, Submitted to the Graduate Faculty of the Louisiana State University, By Jill Martinez, May 2006.

- c. Lastly, as a resident of New York, I cannot help but be reminded of the last cultural loss of this potential magnitude and how it changed our city forever: the destruction of the greatest urban architectural monument in New York, one of the greatest in the nation, Penn Station, in 1963. It was destroyed in an effort to rescue the perilous financial situation of the failing Pennsylvania Railroad. Several years later, the firm filed bankruptcy anyway, yet the cultural and urban landscape of New York was damaged in a way that the community still mourns and is still trying to partially restore, more than fifty years later, with the building of Moynihan Station at enormous expense.

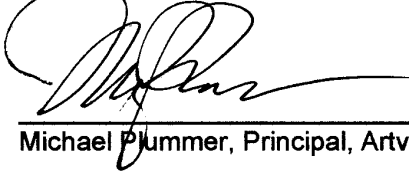
X. Conclusion

78. Rather than being a source of cash to creditors or a burden on the current city, in fact the DIA is the single most important cultural asset the City currently owns for rebuilding the vitality of the city.

79. In this report I have formed an opinion on the following as requested by DIA Counsel and City Counsel:

- a. The indicative value of the works in the DIA Collection at a gross valuation, without any deduction for the value of works that are ultimately determined not to be subject to sale, whether for legal or other reasons, and before the application of discount factors related to general market conditions or issues specific to the DIA collection at a mid estimate of \$3,684,466,069 and at a low estimate of \$2,760,978,432.
- b. The feasibility and likely effects of and on the market and value realization of a sale of the DIA collection under a variety of market and sale conditions: After the application of various discount factors related to these conditions, the range of value the DIA collection will sell for, without any deduction for the value of works that are ultimately determined not to be subject to sale, will be between \$1.1 billion for the present value of an orderly liquidation after allowing for the likely delay of litigation to \$1.8 billion in the highest value scenario, with no litigation and an orderly selling plan.
- c. My review of the practicality and reasonableness of the monetization alternatives described in Christie's preliminary report to the City of Detroit: they do not have a reasonable expectation of either raising meaningful money or exceeding even the \$100 million the DIA has already committed as its contribution to the Grand Bargain.
- d. Creditor-proposed sales of the DIA's collection, including analysis of certain third-party indications of interest: they are either not plausible or not likely to net the dollar values quoted.

80. Finally, it is my opinion that liquidating the DIA collection in a timely manner is unlikely, given the multiple levels of legal challenges as well as the financial risks and uncertain auction outcomes.



Michael Plummer, Principal, Artvest Partners

XI. Assumptions and Limiting Conditions

81. A full assessment, or sale cataloguing, of the DIA collection would require a minimum of 18 months of research for such a quantity of work and full access to DIA files and records. Though I did not have a direct dialogue with the DIA, I relied on information that the DIA provided to Artvest as well as on research of our own.

82. In the normal course of the examination of art to ascertain value for sale, a more rigorous physical inspection is undertaken, such as viewing paintings under blacklight or x-ray, chemical sampling of paint, taking paintings off of walls to view for re-linings and markings and documentation on backs of frames and canvases. For sculptures and ceramics, especially Chinese terra cotta and ceramics, thermoluminescence tests are often undertaken to determine age and authenticity. Additionally, during more in-depth cataloguing described here, an appraiser or specialists would check with academics and other specialists, for which sometimes there is only one such person in the world with an appropriate and highly specialized academic expertise. Given the time limitation on providing this evaluation to the Court and the disruption to the Museum and its visitors that would have resulted, those measures were not possible. But such measures were not necessary for me to form my opinions for the purpose of this report, which is not intended to provide a full cataloguing of objects for sale.

83. As stated elsewhere in the document, such in-depth cataloguing of the entire DIA collection I estimate would take between eighteen months and two years. Such cataloguing might in some instances raise the value of some works, for example, if there had been a misattribution, but in general, more detailed examination is likely to uncover defects, poor conditions or reattribution that would lower values.

Exhibit A: List of Documents Relied Upon

Christie's, *Fair Market Value for Financial Planning, Property Belonging to City of Detroit*
17 December 2013

Detroit Institute of Arts (List of Masterworks), February 28, 2014 (in hardcopy), May 28, 2014 (in Excel file format.)

December 3, 2013 Letter from Doug Woodham, President, Christie's Americas, to Mr. Kevyn Orr, ("Recommendations for Monetization")

Houlihan Lokey, *Detroit Institute of Arts, Summary of Activity*, April 2014

DIA Documents:

List of objects in the DIA's collection (the "Major Works") (DIAINSP000001-DIAINSP000203).

List of objects in the DIA's collection (DIAINSP097403 – DIAINSP114404).

The DIA's archived object files for the Major Works (DIAINSP058666 - DIAINSP087849).

The DIA's archived bibliographic information relating to the Major Works (DIAINSP121651 - DIAINSP122287).

Documents that the DIA supplied to Christie's in connection with Christie's 2013 evaluation of the DIA's collection (DIAINSP005463 – DIAINSP010389).

DIA database information for objects in the DIA's collection (DIAINSP124564).

DIA historical condition reports for the Major Works (DIAINSP122288 – DIAINSP124563).

Object images for selected objects in the DIA's collection (DIAINSP121617 – DIAINSP121650).

TEFAF Art Market Report 2014, Prepared by Dr. Clare Mc Andrew, Arts Economics

Fine Art and High Finance, Edited by Clare Mc Andrew, Chapter 6, *Art Funds*, Jeremy Eckstein and Randall Willette

An Approach to Advanced Problems in Appraising Art, Alex J. Rosenberg, Sc.D, AAA, ASA

Sotheby's Annual Financial Statements: 1993, 2006, 2013

Artprice Databases:

artnet
Askart
Invaluable

See also Exhibit D for a full list of documents cited in research for this paper

Exhibit B: Curriculum Vitae of Michael Plummer

Career

Artvest Partners LLC, Principal and co-founder (2009-present)

Christie's Financial Services, COO and Senior Vice President, (2007-2009)

Fernwood Art Investments, President, COO (2003-2006)

ArtBase Inc. Founder & CEO (2000 – 2003)

The Carbone Smolan Agency, Director (1997 – 2000)

Accoustiguide, Head of US Division (1996 – 1997)

Sotheby's, Marketing Division Head for the Americas and Asia, (1993-1996)

Sotheby's Marketing, Vice-President, Publications and Direct Communications, (1991 – 1993)

Sotheby's International Realty, Vice-President, director of Finance, Marketing and Operations (1987-1991)

Sotheby's Business Manager for Asian Art Division, (1984 – 1987)

Sotheby's Treasury Department, Credit Department, (1980 – 1984)

Other

Director and a co-Founder of the Luxury Marketing Council (1993-present)

Chairman, the American Friends of the London Academy of Music and Dramatic Art (2012-present)

Education

BS, economics, Wharton School, University of Pennsylvania, (1977-1980)

Exhibit C-1: Curriculum Vitae of Consulting Specialist, Betty Krulik



Betty Krulik Fine Art, Ltd
50 East 72nd Street, Suite 2A
New York, NY 10021

Bkrulikfineart.com
917.582.1300
bkrulikfineart@gmail.com

Appraisers Qualifications

Betty Krulik has 30 years of experience in the handling of American and European 19th and 20th Century art; she has sold to and on behalf of major collectors and museums around the nation. She has acted as appraiser for corporate and institutional collections as well as private collectors.

Her specialty is American Art, yet in her 8 years at Christies she handled European Old Masters and 19th Century works as well as Contemporary Art.

She began her career in 1976 as Gallery Director of Marbella Gallery, 903 Madison Avenue, New York, NY for 2 years. There she learned the business from the ground up, doing inventory control, bookkeeping, sales, and research.

In 1978 she went to Christie's where she became Head of Paintings Departments, an Assistant Vice President, Christie's East, 219 East 67th Street, New York, NY 10021 for 8 years. Responsibilities included business getting, appraisal, cataloguing of paintings, works of art on paper, and sculpture, of the 17, 18th 19th and Early 20th Centuries European and American.

In 1987, she became Director of Spanierman/Drawings, 45 East 58th Street, New York, NY 10022, where she worked for 14 years. At Spanierman Gallery, LLC she specialized in important American Works of Art of the 19th and 20th centuries and has been at the forefront of research in the field, as well as being known as one of the major outlets for American Art. During her tenure at Spanierman Gallery she curated many exhibitions including the museum quality shows of the work of William Merritt Chase, Willard Leroy Metcalf and the landmark exhibition, Arthur Wesley Dow: His Art and His Influence.

In 2001, she took the Directorship of the Department of American Art at Phillips, dePury and Luxembourg, 3 West 57th Street, New York NY 10019, where she held the auctions of the famed Glen Foster Marine Art sale, and the world renowned Thyssen Bornemizsa Collection, establishing world record prices in many sectors of American art.

In 2004 she began her business as Private Dealer, Art Advisory and Appraiser, Ms. Krulik has handled the sales of important American art, from the Hudson River school to American Modernism.

She is Certified Member of the Appraisers Association of America, and serves on its board as President. She also is on the Advisory Board of the Munson-Williams-Proctor Institute, in Utica, NY. and the Masterworks Museum of Bermudian Art. She is President of the William Merritt Chase Catalogue Raisonne committee, and on the advisory committee for the Thomas Wilmer Dewing Catalogue Raisonne. She has appeared as an appraiser on Antiques Roadshow, and has lectured at the Appraisers Association of America, New York University's Continue and Professional Studies, and for Museum groups around the nation. Recently she was nominated for membership in the prestigious Private Art Dealers Association.

Specializations: American Painting, Drawings, Watercolors, Pastels 1850-1950

Exhibit C-2: Curriculum Vitae of Consulting Specialist, Sabine Wilson

SABINE WILSON, PhD

Fine Art Appraiser and Advisor Certified Member, Appraisers Association of America
210 East 63rd Street, 12 A, New York, NY 10065 P: 212-583 9079 F: 212-583 9302
E: bine.wilson@gmail.com

Curriculum Vitae

Education:

Ph.D., Art History, Ludwig-Maximilians-Universität, Munich, 1997
Program in Appraisal Studies, New York University, New York, 2000
Provenance Research Training Program, European Shoah Legacy Institute, Magdeburg, 2012

Appraisal Practice:

Fine Art Appraiser since 2000
Certified Member, Appraisers Association of America (Impressionist and Modern Art)
Uniform Standards of Professional Appraisal Practice, valid until 2016

Specialized in the valuation of American and European paintings, sculptures and works on paper of the 19th, 20th and 21st centuries for charitable contributions, estate and gift tax; insurance, damage and loss claims; collateral loans and financial planning; appraisal review.

Teaching:

Adjunct Instructor, New York University, SCPS, Appraisal Studies Program

Courses:

Introduction to Appraising Fine Art;
The Essentials of Appraising;
Damage and Loss Appraisals;
The Appraisal of Modernist Paintings;
Impressionist, Modern and Contemporary Art: The Auction Market and Appraisal Issues

Publications:

Impressionist and Modern Art: Paintings, Drawings, Sculpture in: Appraising Art: The Definitive Guide to Appraising the Fine and Decorative Arts, Appraisers Association of America, 2013

Lectures:

Topics: Madame de Pompadour; French 18th Century Art; German Expressionism; Art of the Weimar Republic, German and Austrian Art
Venues: The National Gallery, London; Sotheby's, New York; New York University, New York; Appraisers Association of America, New York; Dartmouth College, Hanover, NH

Languages:

German, English, French, Italian

Exhibit C-3: Curriculum Vitae of Consulting Specialist, Kristin Gary

Kristin Gary

150 st 55th Street • New York, NY 10019 • Phone: 212-246-9293 • E-Mail: k@kristingaryfineart.com

Kristin Gary has been dealing in the New York and international markets since the beginning of her career in the early 1990s. She has acquired a deep knowledge of European Old Master and 19th Century painting, sculpture, and drawing and has curated exhibitions and has extensive attribution, appraisal and sales experience.

Experience

Kristin Gary Fine Art, New York- *Founder*

1999 – to present

Founded in 1999, KGFA is a private gallery specializing in the research, purchase and sales of European and American paintings, sculpture and drawings from the Old Masters through the 20th century. Extensive experience working with both American and European private clients, museums and institutions, including sales of important works to The Metropolitan Museum of Art and The Boston Museum of Fine Arts; appraisal of works of art; assist in bidding at auction; managing collections; advising on conservation.

Special Expert Consultation Projects Include:

- *Salander O'Reilly Gallery Trust - Expert Advisor*

Contracted after Christie's to complete project by providing services for the maximization of estate assets. The SOG estate is largest gallery bankruptcy to date comprising hundreds of creditors and an inventory of over three thousand objects including paintings, sculpture and drawings from Renaissance through contemporary periods. KGFA services included private sales, organization of public sales (venue selection and auction catalogue development), appraisals, establishment of authenticity to ensure accurate valuations.

 - To date, achieved multi-million dollar sales of \$15 million of paintings, sculpture and drawings

2010 – to present
- *Ralph Esmerian Trust - Expert Advisor*

Provided services for maximization of bankruptcy estate inventory, including sales, venue selection, auction catalogue development, appraisals and establishment of authenticity to ensure accurate valuations

 - Achieved highest total for an auction of American Folk Art at Sotheby's - \$12,995,000 (2014)
 - Achieved record price for a Frank Lloyd Wright urn at Leslie Hindman - \$750,000 (2011)

2011 to present
- *The Pool NYC - Partner*

Organized and executed five separate exhibitions as a collateral event at 53rd annual Venice Biennale

2009
- *Galerie Brame et Lorenceau, Paris France*

Served as American representative responsible for American clients and for sales to American museums

2001-2004

- **Behaviors** 2004
Produced a solo show by artist Nicola Pucci

- Exhibits at TEFAF, Maastricht; The International Fine Arts Show, New York and The International Fine Art Fair, Palm Beach

William Doyle Galleries, New York - *Specialist, Paintings Department* 1996 - 1999

Prepared auction catalogues for all paintings, sculpture and works on paper from Old Masters through to Modern, including responsibility for attributions and research on all works

- *Walk-in Consignment Days* - a service where the public brought in objects for appraisal; determined value, auction estimate and advised as to auction worthiness

Colnaghi, New York 1993 - 1996

- Sales and relationship responsibilities, gallery management, research, catalogue production, show representation (TEFAF, Armory)
- In 1994, repositioned Colnaghi's older stock; conceptualized, wrote and produced, *The Art of Pleasing, European Paintings for Town and Country 1530- 1930*, an exhibition resulting in 80% sales of existing stock

Education

Istituto per L'arte e il Restauro, Florence, Italy 1990-1992

Masters of Arts, Art History with a focus on Italian art

Duke University, Durham North Carolina 1985-1989

Bachelor of Arts, Majored in Art History

Other Experience

- Native fluency in Italian, working knowledge of French and Dutch
- Certified Member of the Appraisers Association of America
- Co-founder of The Trident Swim Foundation (a foundation that supports an after school academic/swim program for minority children in NYC), 2007 - present
- United States Masters Swimming:
President of the Board of Red Tide NYC, Inc., 2006 - 2013
World and American Record Holder
New York Athletic Club - President of the Swimming and Water Polo Intra Club and member of the Swim Committee

Exhibit C-4: Curriculum Vitae of Consulting Specialist, Joe-Hynn Yang

CURRICULUM VITAE

JOE-HYNN YANG

121 West 72nd Street, #10C
New York, NY 10023, USA
ph/fx: +1 212 787 5875
cell: +1 917 400 4393
email: yang.joehynn@gmail.com

Aug 2009 - current: Principal and Director, Courage & Joy, Inc.

- Dealing in Asian antiquities, and providing art advisory services and appraisals. Select dealer member exhibiting annually during Asia Week New York from 2010 -12.
- Most recent exhibition, March 2012, "Serene Glazes, Elegant Forms: A Select Exhibition of Chinese Ceramics," received notable mention by Roberta Smith of The New York Times.

Jan 2008 - Jun '09: Senior Vice-President, Head of Chinese Works of Art Dept, Christie's New York

- Managed staff of six, sourced fine Chinese art internationally for twice yearly auction sales at Rockefeller Center, directed all details of appraisals, sale marketing, catalogue production, and exhibition planning, and partnered in global key-client strategy.
- Managed a major sequence of Asian art deaccessions from the Arthur M. Sackler Collection and the Sackler Foundation. Responsible for department's annual gross sales of \$80 million in 2008.

Jun 2001 - Jul '07: Vice-President, Head of Chinese Works of Art Dept, Sotheby's New York

- Among the youngest ever dept. heads appointed, overseeing staff of five. Grew dept from \$4 million annual auction sales in 2002 to a record \$40 million single auction season in March 2007, coinciding with winning a major deaccession from the Albright-Knox Art Gallery, Buffalo.
- Sourced twice yearly auction sales and managed relationships with a global clientele. Directed all aspects of auction marketing, catalogues, and exhibitions, as well as departmental budget management and competitive proposals.

Dec 2000 - Jun '01: Cataloguer, Chinese Works of Art Dept, Sotheby's New York

Oct 1998 - Nov 2000: Cataloguer, Chinese Works of Art Dept, Sotheby's London

Oct 1998: Called to the Bar of England & Wales, Gray's Inn, London.

- Passed the Bar Examination, The General Council of the Bar, Trinity 1998 (May 1998); earning a Class II Division II grade, one of only seven candidates to do so, with no others having any higher passing grade. Member of Gray's Inn, London, 1996 - 8.

Sep 1997 - Apr '98: Asian Art Diploma: Arts of China

- Jointly administered by Sotheby's Institute, London, and the School of Oriental and African Studies (SOAS), University of London.

Sep 1993 - Jun '96: Bachelor of Arts (Honors) in Jurisprudence, Brasenose College, University of Oxford

- Earned a Class II Division I ("Upper Second") grade. Awarded the Martin Wronker Prize by the University for the best Finals paper in Jurisprudence (Philosophy of Laws) in 1996.
- Awarded a Varsity Half-Blue in Dancesport in 1995. President of the OUBDC (Ballroom Dancing), 1994-6; President, Brasenose Christian Union, 1994-5; also, inter-collegiate theater and rowing.

Jan 1991 - Dec '92: GCE 'A' Levels, Raffles Junior College, Singapore (earning three 'A's, one 'B')

- Executive Committee, Student Council; Chair, Inter-Faculty Committee; RJC Plaque for Service.
- First Prize, National Students' Elocution and Public Speaking Competition, Singapore, 1992.

- National Creative Writing Mentorship program, Singapore, 1991, via portfolio of plays and poetry.

Jan 1989 - Dec '90: GCSE 'O' Levels, Raffles Institution, Singapore (earning eight 'A1's, one 'A2')

- Junior Runner-up Prize, Commonwealth Students' Essay Competition, 1988; the world's oldest and largest international essay competition, with open entries from every Commonwealth nation, administered by the Royal Commonwealth Society, London, since 1883.

Jan 1989 -Dec '92: ASEAN Scholarship, Ministry of Education, Singapore

- full pre-university scholarship, with board and lodging; only 15 - 25 places awarded annually among candidates from all nine ASEAN nations; renewed in 1991 for a further two-year period.

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Exhibit E: Sotheby's and Christie's Unsold Rates by Sector – 2013

(see following three pages)

A D T V E C T

Sotheby's & Christie's Unsold Rates by Sector - 2013

	Christie's				
	Sothebys				
Department	# of sales	# of Lots	Avg % Sold	BI %	Total Revenue
19th Century European	9	685	59%	41%	\$30,248,611.00
	7	664	57.69%	42.31%	\$57,055,945.00
Cumulative	16	1349	58%	42%	\$87,304,556.00
American Art	3	307	72%	28%	\$129,392,375.00
	4	394	80.08%	19.92%	\$119,793,691.00
Cumulative	7	701	76%	24%	\$249,186,066.00
Antiquities	5	594	78%	22%	\$26,082,234.00
	2	141	80.38%	19.62%	\$20,078,625.00
Cumulative	7	735	79%	21%	\$46,160,859.00
Arms & Armor	3	452	81%	19%	\$2,989,717.00
Cumulative	3	452	81.00%	19.00%	\$2,989,717.00
Asian Art (MIX)	4	710	86%	14%	\$47,615,689.00
	4	559	75.05%	24.95%	\$31,926,340.00
Cumulative	8	1269	81%	19%	\$79,542,029.00
Asian Contemporary	7	1122	80%	20%	\$260,980,117.00
	7	643	79.66%	20.34%	\$332,262,560.00
Cumulative	14	1765	80%	20%	\$593,242,677.00
Books & Manuscripts	13	2343	77%	23%	\$63,144,742.00
	19	2780	73.39%	26.61%	\$70,545,130.77
Cumulative	32	5123	75%	25%	\$133,689,872.77
Chinese Paintings	6	1481	90%	10%	\$259,254,409.00
	6	1060	91.55%	8.45%	\$193,688,080.00
Cumulative	12	2541	91%	9%	\$452,942,489.00
Chinese WOA	20	2796	81%	19%	\$367,324,809.00
	16	2002	82.98%	17.02%	\$338,896,023.00
Cumulative	36	4798	82%	18%	\$706,220,832.00
Decorative Arts	78	20777	72%	28%	\$151,153,029.00
	13	1425	80.36%	19.64%	\$103,472,074.00
Cumulative	91	22202	76%	24%	\$254,625,103.00
European Interiors	38	8374	71%	29%	\$175,211,667.00
	11	1723	65.73%	34.27%	\$53,345,689.00
Cumulative	49	10097	68%	32%	\$228,557,356.00
European WOA	8	1381	75%	25%	\$29,036,027.00
	18	2829	71.20%	28.80%	\$158,710,714.24
Cumulative	26	4210	73%	27%	\$187,746,741.24
Japanese WOA	5	1118	63%	37%	\$18,901,961.00
	1	31	88.60%	11.40%	\$5,273,397.00
Cumulative	6	1149	76%	24%	\$24,175,358.00

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Jewelry & Watches	31	7776	86%	14%	\$828,969,099.00
	20	6117	83.35%	16.65%	\$696,309,628.00
Cumulative	51	13893	85%	15%	\$1,525,278,727.00
Latin American	3	466	78%	22%	\$54,096,750.00
	3	331	68.64%	31.36%	\$55,521,000.00
Cumulative	6	797	73%	27%	\$109,617,750.00
Judaica	3	559	77.66%	22.34%	\$15,651,585.00
Cumulative	3	559	77.66%	22.34%	\$15,651,585.00
Modern & Imp	38	3439	76%	24%	\$1,174,515,790.00
	18	1979	78.53%	21.47%	\$1,324,894,067.06
Cumulative	56	5418	77%	23%	\$2,499,409,857.06
Native American	3	244	80.58%	19.42%	\$6,117,198.00
Cumulative	3	244	80.58%	19.42%	\$6,117,198.00
Oceanic	4	205	68%	32%	\$20,038,770.00
	6	526	60.37%	39.63%	\$42,138,682.00
Cumulative	10	731	64%	36%	\$62,177,452.00
Old Masters	17	1491	66%	34%	\$205,040,805.00
	10	873	66.59%	33.41%	\$255,475,830.00
Cumulative	27	2364	66%	34%	\$460,516,635.00
Other	2	70	57.50%	42.50%	\$63,394,755.00
Cumulative	2	70	57.50%	42.50%	\$63,394,755.00
Photographs	9	821	75%	25%	\$29,982,683.00
	5	590	70.49%	29.51%	\$17,502,472.00
Cumulative	14	1411	73%	27%	\$47,485,155.00
Post war	33	4459	84%	16%	\$1,975,866,997.00
	26	2937	76.76%	23.24%	\$1,397,307,394.00
Cumulative	59	7396	80%	20%	\$3,373,174,391.00
Prints	12	2427	78%	22%	\$55,294,400.00
	7	1730	87.24%	12.76%	\$49,689,468.00
Cumulative	19	4157	83%	17%	\$104,983,868.00
Russian Art	3	558	72%	28%	\$51,366,995.00
	7	533	61.30%	38.70%	\$65,629,426.00
Cumulative	10	1091	67%	33%	\$116,996,421.00
Silver	3	371	86%	14%	\$7,029,738.00
Cumulative	3	371	86.00%	14.00%	\$7,029,738.00
South Asian Contemporary	8	528	81%	19%	\$53,393,740.00
	4	308	77.25%	22.75%	\$28,345,901.00
Cumulative	12	836	79%	21%	\$81,739,641.00
Southeast Asian	12	1783	63%	37%	\$47,882,082.00
	4	403	58.83%	41.17%	\$20,159,105.00
Cumulative	16	2186	61%	39%	\$68,041,187.00
Wine	28	17985	90%	10%	\$73,082,304.00
	25	14897	93.74%	6.26%	\$60,314,699.50

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Cumulative	53	32882	92%	8%	\$133,397,003.50
TOTAL	400	84449	76%	24%	\$6,194,951,485.00
TOTAL	251	46348	75.02%	24.98%	\$5,583,499,480.00
Cumulative	651	130797	75%	25%	\$11,778,450,965.00

TABLE 9

Present Value of an Orderly Liquidation Low Estimate (000's)		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Scenario A -- No Litigation											
Saleable Collection Value Mid Estimate (Without other Discounts)	2,760,978										
Percent of Collection Sold				20%	20%	20%	15%	15%	10%		
Gross Annual Sales				552,196	552,196	552,196	414,147	414,147	276,098		
<i>(Assumes No Selling Cost From Agent/Auctioneer)</i>											
Less Average Unsold Loss Factor	26.20%										
Add Back Reoffered Unsold Property (3 yrs)				(144,675)	(144,675)	(144,675)	(108,506)	(108,506)	(72,338)		
Annual Holding and Administrative Expenses		(6,000)	(6,000)	(6,000)	(5,000)	(4,000)	(3,000)	(2,000)	(2,000)	86,805	86,805
Net Future Value		(6,000)	(6,000)	401,520	402,520	403,520	418,380	419,380	317,500	86,805	86,805
Discount Rate	12%										
Present Value	1,366,223										
Scenario B -- Litigation (Fisk)											
Percent of Collection Sold								20%	20%	20%	15%
Gross Annual Sales								552,196	552,196	552,196	414,147
<i>(Assumes No Selling Cost From Agent/Auctioneer)</i>											
Less Average Unsold Loss Factor	26.20%								(144,675)	(144,675)	(108,506)
Add Back Reoffered Unsold Property (3 yrs)		(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(5,000)	(4,000)	115,740
Annual Holding and Administrative Expenses											(3,000)
Net Future Value		(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	401,520	402,520	403,520	418,380
Present Value	850,035										

Exhibit G: Artvest Evaluation of DIA High Value Works

TYPE	DIA DEPARTMENT	LOW EST	HIGH EST	APPRAISER	DIA #	FIRST	LAST	TITLE	DATE	MATERIAL	SIZE	SUMMARY OF VALUATION SUPPORT
Sculpture	African, Oceania & Indigenous Americas	\$ 600,000	\$ 800,000	JHY	DIA no. 1983.24		Fang	Mask; Alternate Title: ngou-ntangha	19th Century	Wood, kaolin	Overall on mount: 14 x 10 x 12 1/4 in. (35.6 x 25.4 x 31.1 cm.); Height on Mount: 22 3/8 in. (56.8 cm.); Base dimensions: 9 x 9 in. (22.9 x 22.9 cm.)	Christie's, Paris, Dec. 13, 2011, lot 286, 931,000 EUR; Sotheby's NY, May 13, 2011, lot 262, \$98,500; Sotheby's Paris, June 17, 2009, 78,750 EUR. No four-sided masks of this quality have never appeared at auction, of which this is the quintessential example.
Sculpture	African, Oceania & Indigenous Americas	\$ 800,000	\$ 1,500,000	JHY	DIA no. 1992.290		Benin	Horse and Rider	early 17th century	bronze	Overall (by sight): 18 1/2 _ 7 1/4 inches (47 _ 18.4 cm)	No other three-dimensional equestrian groups have appeared at auction. Sotheby's NY, May 17, 2007, lot 121 (Property of Albright-Knox), \$4,744,000; Sotheby's Paris, June 23, 2006, lot 122, 964,000 EUR; Sotheby's Paris, Dec. 5, 2007, lot 52, 681,850 EUR
Sculpture	African, Oceania & Indigenous Americas	\$ 800,000	\$ 1,500,000	JHY	DIA no. 76.79		Kongo	Nail Figure; Alternate Title: Nkonde; Alternate Title: Nail Fetish	between 1875 and 1900	Wood with screws, nails, blades, cowrie shell and other materials	Overall (by sight): 46 in. _ 18 1/2 in. _ 14 1/4 in. (116.8 _ 47 _ 36.2 cm)	Particularly large at 46 inches high, this is an imposing figure. Sotheby's NY, May 16, 2014, lot 52, \$533,000; Sotheby's NY, Nov. 15, 2013, \$1,805,000; Sotheby's NY, May 16, 2014, lot 47, estimated \$700,000 to \$1,000,000 but did not sell.
Sculpture	African, Oceania & Indigenous Americas	\$ 400,000	\$ 600,000	JHY	DIA no. 77.29		Fang	Head	19th/20th Century	Wood	12 x 6 1/2 x 4 1/2 in.; 30.5 x 16.5 x 11.4 cm	Sotheby's Paris, November 30, 2010, lot 27, \$1,190,181; Sotheby's Paris, Dec. 4, 2008, lot 132, \$976,686; Christie's Paris, Dec. 11, 2012, lot 51, \$498,637; Christie's Paris, June 19, 2014, lot 39
Sculpture	African, Oceania & Indigenous Americas	\$ 300,000	\$ 500,000	JHY	DIA no. 79.22		Bamileke	Maternity Figure	1850/1950	Wood	23 1/8 x 11 1/8 x 9 1/4 in. (58.7 x 28.3 x 23.5 cm.)	Sotheby's NY, May 16, 2013, lot 125, \$365,000; Sotheby's, Paris, June 18, 2014, lot 61, 397,500 EUR; Sotheby's NY, November 11, 2004, lot 100, \$1,072,000
Sculpture	African, Oceania & Indigenous Americas	\$ 200,000	\$ 300,000	JHY	DIA no. 82.49	Bena	Lulua	Figure; Alternate Title: Mbulenga	1875/1900	Carved and patinated wood, shell	19 7/8 x 5 1/4 x 5 1/2 in. (50.5 x 13.3 x 14 cm)	Sotheby's Paris, Dec. 5, 2006, lot 118, 482,400 EUR.; Pierre Berge & Associates, June 13, 2010, lot 368, \$86,847)
Artvest Total African Art		\$ 3,100,000	\$ 5,200,000									
Paintings	American Art before 1950	\$ 800,000	\$ 1,200,000	Betty Krulik	DIA no. 01.2	John Mix	Stanley	Indian Telegraph	1860	Oil on canvas	Unframed: 20 _ 15 1/2 in. (50.8 _ 39.4 cm); Framed: 27 3/8 _ 23 3/8 _ 2 7/8 in. (69.5 _ 59.4 _ 7.3 cm)	This is an iconic work, by the artist, the most appropriate comp is the 24 x 20 Deerslayer selling for \$932,000 in 2004, and the 2007 sale in as small local auction house in Marathon, NY, The Sentinel sold for \$742,000. This work with its high keyed color would sell for \$1,000,000.
Paintings	American Art before 1950	\$ 250,000	\$ 350,000	Betty Krulik	DIA no. 08.7	John Henry	Twachtman	The Pool		Oil on canvas	26 x 31 in.; 66.0 x 78.7 cm; Framed: 33 9/16 x 38 5/8 x 3 1/8 in.	Twachtman is always a tough sell, he is very subtle and rarely performs well in auction situations. The most appropriate comparable in period and quality is autumn mists sold in 1998 for \$189,000. and again in 2001 for \$248,000. it had slightly more color and was slightly larger than the subject work.
Paintings	American Art before 1950	\$ 1,250,000	\$ 1,500,000	Betty Krulik	DIA no. 08.8	Mary	Cassatt	Women Admiring a Child	1897	Pastel	26 x 32 in. (66.0 x 81.3 cm); Framed: 31 7/8 x 38 1/4 x 2 1/4 in.	cassatt is currently not very popular, in particular this PASTEL has a odd coloration in the face of one of the figures. There is not a pastel that has sold for more than \$900,000 since 2009, with multiple
Paintings	American Art before 1950	\$ 2,500,000	\$ 3,500,000	Betty Krulik	DIA no. 08.9	Thomas Wilmer	Dewing	The Recitation	1891	oil on canvas	Unframed: 30 _ 55 inches (76.2 _ 139.7 cm); Framed: 48 _ 72 _ 2 3/4 inches (121.9 _ 182.9 _ 7 cm)	One of the finest dewings. If it were to come on the market, it would make close to the record for Dewing of \$3.4, but due to the down market and numerous buy ins a conservative value is appropriate. As this is not current collecting taste, and most current highend american buyers already

Paintings	American Art before 1950	\$	3,000,000	\$	5,000,000	Betty Krulik	DIA no. 10.11	Frederic Edwin Church	Syria by the Sea	1873	Oil on canvas	56 x 85 in. (142.2 x 215.9 cm); Framed: 80 x 108 x 5 1/2 in.	Concievably there might be intreset n this painting by the mid eastern collectors. While it has a great luminosity, size is an negative issue. Years ago when Adelson galleries did a show, they had a Syrian work on the market, smaller and not as interesting for \$2,500,000. There are no comparables in the auction market.
Paintings	American Art before 1950	\$	250,000	\$	350,000	Betty Krulik	DIA no. 10.6	Willard Leroy Metcalf	Unfolding Buds	1909	Oil on canvas	26 x 29 in.; 66.0 x 73.7 cm; Framed: 39 3/4 x 42 7/8 x 2 5/8 in. (101 x 109 x 6.7 cm)	Spring pictures of this scale by Metcalf with little contrast rarely exceed \$350,000. evidenced by On the River at Christies in 2013, selling for 365K with premium and spring selling in 2006 (height of the market for 375K
Paintings	American Art before 1950	\$	800,000	\$	1,200,000	Betty Krulik	DIA no. 15.12	Willard Leroy Metcalf	The White Veil	1909	Oil on canvas	36 x 36 in.; 91.4 x 91.4 cm; Framed: 49 1/2 x 49 3/8 x 1 7/8 in.; with frame: 49 1/2 x 49 3/8 x 1 in.; 125.6 x 125.4 x 2.5 cm	This represents the best of the artists work. It is comparable to the little white house sold at sothebys for \$1M (the Fraad collection) In 2004. It was at the height of the market and in a celebrity sale, therefore a more conserative low end is appropriate.
Sculpture	American Art before 1950	\$	60,000	\$	80,000	Betty Krulik	DIA no. 15.2	Paul	Manship	1913	Bronze	height: 29 in.; 73.7 cm; dimensions of base: 18 3/8 x 11 1/4 in.; 46.7 x 28.6 cm	There are no comparables in the auction market, as not even one cast has come up in 30 years of internet data bases. there have been several works from 1912-1914, which when on the market make in only two have come on the market, both many years ago in 1993 and 1988 making \$90K and \$110K respectively. Due to the current strength of the western market a higher value is appropriate
Sculpture	American Art before 1950	\$	100,000	\$	150,000	Betty Krulik	DIA no. 16.13	Solon Hannibal Borglum	Lassoing Wild Horses	1898	Bronze	30 x 25 x 15 in.; 76.2 x 63.5 x 38.1 cm	an almost exact comparable is the self portrait from the guild hall museum sold in 2004 for \$142K. Which is slightly smaller. Therefore a \$100-150,000. value is appropriate
Paintings	American Art before 1950	\$	100,000	\$	150,000	Betty Krulik	DIA no. 16.16	William Merritt Chase	Self Portrait	c. 1914	Oil on canvas	Framed: 32 9/16 x 28 13/16 x 2 13/16 in. (82.71 x 73.18 x 7.14 cm); 24 x 20 in. (61.0 x 50.8 cm)	an almost exact comparable is the self portrait from the guild hall museum sold in 2004 for \$142K. Which is slightly smaller. Therefore a \$100-150,000. value is appropriate
Paintings	American Art before 1950	\$	1,800,000	\$	2,200,000	Betty Krulik	DIA no. 16.31	Frank Weston Benson	My Daughter Elisabeth	c. 1914	Oil on canvas	44 x 37 in. (111.8 x 94.0 cm); Framed: 55 3/8 x 44 3/8 x 4 in.	A beautiful painting, but a portrait no less. It is most comparable to the double portrait of children (always more desiraeable) sold in 2010 at Christies for just a bit more than \$2M. Interiors / less portrait like works sell for much more. This is large and the sitter is attractive, and out of doors, so it becomes more desirable than a straight portrait
Paintings	American Art before 1950	\$	25,000,000	\$	30,000,000	Betty Krulik	DIA no. 17.17	George Wesley	Bellows	1913	Oil on canvas	36 1/2 x 48 in.; 92.7 x 121.9 cm; Framed: 43 3/4 x 56 1/16 x 3 3/8 in.	Comparable to Polo Crowd sold in 1999 for \$27,000,000. and the recent sale of the Randolph Macon picture to National Gallery, London for \$25.5M in February of 2014, it could not sell in the US because of the negative publicity, no museum in the US would by it. (MP note: except perhaps Crvstal Brides).
Paintings	American Art before 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 19.19	Childe	Hassam	1906	Oil on canvas	20 x 30 in. (50.8 x 76.2 cm); Framed: 31 1/4 x 41 3/8 x 2 in.	Value wise this work falls between the 2013 Christis work (half the size) selling for \$150K and the larger The East Headland, Appledore-Isles of Shoals selling at Christies in 2001 for \$500K.
Paintings	American Art before 1950	\$	600,000	\$	800,000	Betty Krulik	DIA no. 19.34	Frederick Carl Frieseke	The Blue Gown	1917	Oil on canvas	39 x 60 in. (99.1 x 152.4 cm); Framed: 45 x 66 1/8 x 2 3/4 in.	American impressionist market it soft. This work while beautiful is an interior. The highest prices for Frieseke's are highly pattered and bright GARDEN several of this cast have come on the market the most recent sold for \$434K in 2009.
Sculpture	American Art before 1950	\$	400,000	\$	500,000	Betty Krulik	DIA no. 19.43	Paul	Manship	1916	Bronze	32 x 33 x 10 in. (81.3 x 83.8 x 25.4 cm)	
Sculpture	American Art before 1950	\$	350,000	\$	550,000	Betty Krulik	DIA no. 19.66	James Earle Fraser	The End of the Trail	1918	Bronze	45 x 30 x 9 in.; 114.3 x 76.2 x 22.9 cm	Just before the 2008 recession a cast sold for a record price of \$631K, since then the records have been more modest \$370K and \$410K in westner sales in 2012 and 2013. The size of the DIA piece is mistakenly measured, including the spear.

Paintings	American Art before 1950	\$	500,000	\$	750,000	Betty Krulik	DIA no. 1983.23	John Singleton Copley	George Boone Roupell	1779/1780	Oil on canvas	Framed: 96 x 66 1/2 x 5 7/8 in. (243.84 x 168.91 x 14.92 cm); 84 1/16 x 54 in.; 213 x 137 cm	An attractive but large British picture. The retail market might be stronger but it could take years to sell for more than \$1M. The 30 x 25 in. JOHN WOMBELL EIGRE sold for \$92K in 2009.	
Paintings	American Art before 1950	\$	1,000,000	\$	1,500,000	Betty Krulik	DIA no. 1986.60	Mary Cassatt	Alexander J. Cassatt	c. 1880	Oil on canvas	25 3/4 x 36 3/8 in. (65.4 x 92.4 cm); Framed: 35 1/8 x 45 3/4 x 2 1/4 in.	no images of men have come up, some of male children. Since Cassatt has not performed well in the market recently therefore conservatism is appropriate. The work is unfinished and unsigned.	
Paintings	American Art before 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 1994.88	Thomas Worthington	Whittredge	The Baptism	1868	Oil on canvas	19 x 27 in. (48.3 x 68.6 cm); Framed: 28 1/4 x 36 1/8 x 3 in.	Aside from the Western (platte river) Whittreges,only the newport scenes make over \$300,000.. Because this work has the panoramic openness that characterizes the best of Whittredge's work and the multiple figures a value of \$300-500K is appropriate, using the 2011 On The Delaware 18 x 28 in (similar size) selling for \$302K A large early shoreline picture it would be comparable to the marsh scenes of similar size. Also an almost exact comaparable (but larger sold in 1996 for \$910K, while was many years ago that value would hold as this is one of very few seascapes.
Paintings	American Art before 1950	\$	700,000	\$	1,000,000	Betty Krulik	DIA no. 1995.26	Martin Johnson Heade	Seascape: Sunset	1861	Oil on canvas	26 x 44 in. (66.0 x 111.8 cm); Framed: 39 1/4 x 57 1/4 x 4 1/2 in.	Very large, and central to Detroit, this work is a tough sell, even though the DIA paid more than \$1M for it in 2005.	
Paintings	American Art before 1950	\$	500,000	\$	700,000	Betty Krulik	DIA no. 2005.72	Thomas Wilmer	Dewing	Commerce and Agriculture Bringing Wealth to Detroit	1900	Oil on canvas	91 9/16 x 171 x 1 5/8 in.	the closest comp is the Letter sold in 2001 for the record price, this work the woman sewing is less attractive as the sitter is not as pretty to the contemporary buyer. The market for these interiors hovers in the \$200-300K range however this would be slightly closer to The Letter and the Green Dress in date size and complexity
Paintings	American Art before 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 21.70	William McGregor	Paxton	Woman Sewing	c. 1913	Oil on canvas	30 x 25 in.; 76.2 x 63.5 cm; Framed: 42 9/16 x 37 9/16 x 3 in.	Cassatt is in a down market right now, however this work being a classic mother and pretty young girl and a park picture makes it more desireable than most, therfore closer to the top of the market but conservatively
Paintings	American Art before 1950	\$	4,000,000	\$	5,000,000	Betty Krulik	DIA no. 22.6	Mary Cassatt	In the Garden	1903/1904	Oil on canvas	26 3/4 x 32 1/2 in. (68 x 82.6 cm); Framed: 35 3/4 x 41 7/8 x 3 in. (90.8 x 106.7 x 7.6 cm)	Pending conditon, this work has the smokey ethereal quality that is sought after in Inness's late work, and has the benefit of good color in the sky	
Paintings	American Art before 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 23.100	George Inness	Apple Orchard	1892	Oil on canvas	30 x 45 1/8 in. (76.2 x 114.6 cm); Framed: 36 1/8 x 51 x 2 1/4 in. (91.8 x 129.5 x 5.6 cm)	comparable to the best of sloans work selling at auction, the highest 3 prices were \$2.2M, 2.3M and \$3M all in 2000-2003. Due to the rarity of these great early aschcan pictures the record prices apply	
Paintings	American Art before 1950	\$	2,500,000	\$	3,000,000	Betty Krulik	DIA no. 24.2	John Sloan	McSorley's Bar; Alternate Title: McSorley's Ale House	1912	oil on canvas	Unframed: 26 x 32 inches (66 x 81.3 cm); Framed: 32 7/8 x 39 1/4 x 3 inches (83.5 x 99.7 x 7.6 cm)	a nearly exact comparable is the Promenade (#19 on artnet search) sold in 2003 for \$1.9M at Christies, however with a soft market for Prendergast as evidenced by the low prices in the past 5 years a conservative value is appropriate	
Paintings	American Art before 1950	\$	1,200,000	\$	1,800,000	Betty Krulik	DIA no. 24.30	Maurice Brazil Prendergast	Landscape with Figures	c.1918/1923	Oil on canvas	29 3/4 x 43 in.; 75.6 x 109.2 cm; Framed: 36 1/2 x 49 3/4 x 2 7/8 in.		

Paintings	American Art before 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 27.158	Arthur Bowen Davies	Dances	1914/1915	Oil on canvas	84 x 138 in. (213.4 x 350.5 cm)	there are very few of these important cubist works on the market, Ed Schien paid close to or over 1M for a work, and years ago a great one Interwoven sold at spanierman gallery for \$250,000. range. There are no comparables at auction
Paintings	American Art before 1950	\$	125,000	\$	175,000	Betty Krulik	DIA no. 27.314	Dwight William Tryon	Autumn	1893	Oil on canvas	40 1/2 x 31 1/2 in.; 102.9 x 80.0 cm; Framed: 53 7/16 x 43 15/16 x 2 1/8 in.	the high prices at auction are only \$60-70K, these works are significantly larger and in stanford white frames. at spanierman galleries, I would sell these for over \$175K without the original frames which in this case have value
Paintings	American Art before 1950	\$	125,000	\$	175,000	Betty Krulik	DIA no. 27.315	Dwight William Tryon	Spring	1893	Paint on canvas	40 1/2 x 31 1/2 in.; 102.9 x 80.0 cm; Framed: 53 7/16 x 43 7/8 x 2 in.	The high prices at auction are only \$60-70K, these works are significantly larger and in stanford white frames, at spanierman galleries, I would sell these for over \$175K without the original frames which in this case have value
Paintings	American Art before 1950	\$	2,500,000	\$	3,500,000	Betty Krulik	DIA no. 27.316	Thomas Wilmer Dewing	Summer	1893	Oil on canvas	50 1/2 x 32 1/2 in. (128.3 x 82.6 cm); Framed: 63 7/8 x 45 x 2 1/2 in.	One of the finest dewings. If it were to come on the market, it would make close to the record for Dewing of \$3.4, but due to the down market, in american impressionism especially a conservative value is appropriate.
Paintings	American Art before 1950	\$	800,000	\$	1,200,000	Betty Krulik	DIA no. 27.556	John Singleton Copley	Mrs. Clark Gayton	1779	Oil on canvas	50 x 40 in. (127 x 101.6 cm.); Framed: 58 5/8 x 48 3/4 x 3 7/8 in.	few pretty british women come on the market, recently Hirschl and adler sold a large british woman to the Milwaukee art museum for around \$4M. It took over 10 years to sell the painting. The value of this work is approx \$750K based on the high price of \$425K for a 30 x 25 man
Paintings	American Art before 1950	\$	3,000,000	\$	5,000,000	Betty Krulik	DIA no. 31.27	William Merritt Chase	My Little Daughter Dorothy	c. 1894	Oil on canvas	48 x 33 in. (121.9 x 83.8 cm); Framed: 52 3/4 x 37 3/4 x 2 in.	while picutres of his children rarely come on the market, and this studio interior is very charming, and would make a near record. The studio interiors are very rare to the market and are considered highly sought after so a value close to the 2008 record is appropriate
Paintings	American Art before 1950	\$	4,000,000	\$	6,000,000	Betty Krulik	DIA no. 34.27	James Abbott McNeill Whistler	Arrangement in Gray: Portrait of the Painter	c. 1872	Oil on canvas	Framed: 39 1/2 x 31 9/16 x 2 1/4 in.; 29 1/2 x 21 in. (74.9 x 53.3 cm)	There are no comparables. This work is an icon, no similar works have come on the public market. Several large female portraits have sold privately in the \$5M range.
Paintings	American Art before 1950	\$	200,000	\$	250,000	Betty Krulik	DIA no. 35.119	Thomas Doughty	In Nature's Wonderland	1835	Oil on canvas	24 1/2 x 30 in.; 62.2 x 76.2 cm; Framed: 31 1/8 x 37 1/8 x 2 1/8 in.	this work has brilliant color in the sky, and the market is responding to hudson river pictures with great light. the closest comaprable was sold at Sotheby;s october 2013 for \$161K, it did not have the pink sky that this does, but is approximately the same size and close in date.
Sculpture	American Art before 1950	\$	800,000	\$	1,200,000	Betty Krulik	DIA no. 37.11	Frederic Sackrider Remington	The Mountain Man; Alternate Title: The Mountaineer	1903/1909	Bronze	height: 28 in.; 71.1 cm	Presuming a lifetime cast, this is one of the most sought after casts. even in the recession a cast sold for just a touch over \$1M at Sothebys May 2010.
Paintings	American Art before 1950	\$	7,000,000	\$	10,000,000	Betty Krulik	DIA no. 38.60	William Sydney Mount	The Banjo Player	1850/1855	Oil on canvas	25 x 30 in. (63.5 x 76.2 cm); Framed: 31 9/16 x 36 3/8 x 3 1/8 in.	this work is an icon for the artist, a musical subject and a barn scene. the highest price was at sothebys in 2008, The Ramblers, which sold for \$2.2M. it is rumoured that the Power of Music, sold to Cleveland for \$10,000,000. 20-25 years ago. While that work was more complex with multiple figures and color. this work is is a rare and imoportant

Paintings	American Art before 1950	\$	400,000	\$	600,000	Betty Krulik	DIA no. 39.6	Asher Brown	Durand	Monument Mountain, Berkshires	Probably 1850	Oil on canvas	28 x 42 in. (71.1 x 106.7 cm); Framed: 43 1/4 x 57 5/8 x 6 3/8 in.	Summary not provided
Paintings	American Art before 1950	\$	3,000,000	\$	5,000,000	Betty Krulik	DIA no. 40.56	Winslow	Homer	Girl and Laurel	1879	Oil on canvas	22 5/8 x 15 3/4 in.; 57.5 x 40.0 cm; with frame: 28 1/4 x 21 1/4 x 1 7/8 in.; 71.6 x 53.8 x 4.8 cm	The high price for a Homer Oil, was a picture of the same size and date Peach Blossoms which sold for \$2.8 M in 2010.the subject work is a more attractive subject and has wonderful finish and would be highly sought after in the market.
Paintings	American Art before 1950	\$	500,000	\$	750,000	Betty Krulik	DIA no. 41.37	John Singleton	Copley	Colonel John Montresor	c. 1771	Oil on canvas	30 x 25 in.; 76.2 x 63.5 cm; Framed: 38 x 33 x 3 1/2 in.	while it was market weary, the Bonhams in the May 2014 sale of Captain Gabriel Maturin, was the closest comparable. it did not sell because it was over exposed and had some condition issues.
Paintings	American Art before 1950	\$	100,000	\$	150,000	Betty Krulik	DIA no. 42.59	Asher Brown	Durand	View of Rutland, Vermont	1840	Oil on canvas	29 1/8 x 42 1/8 in. (74.0 x 107.0 cm); Framed: 40 3/4 x 53 1/8 x 4 1/4 in.	like summer afternoon which sold for \$68K in 2008 at sotheby's but without huge cows (which is a detriment in the market)therefore the value is closer to An Afternoon Shower sold at Christies in 2005 for \$114
Paintings	American Art before 1950	\$	150,000	\$	250,000	Betty Krulik	DIA no. 43.486	William Merritt	Chase	Portrait of a Lady in Black	c. 1895	Oil on canvas	72 x 35 in. (182.9 x 91.4 cm); Framed: 83 1/8 x 47 x 3 7/8 in.	very rarely do the large portraits sell, especially when they are women wearing BLACK in this case she is at least attractive. the most appropriate comparable is the Port of Miss D offered for sale in 2004 at Sothebys with a 250-350K estimate, and unsold- it is te same size, and is of a standing
Paintings	American Art before 1950	\$	500,000	\$	700,000	Betty Krulik	DIA no. 44.5	Marsden	Hartley	Log Jam, Penobscot Bay	1940-1941	oil on Masonite (TM)	Unframed: 30 1/16 _ 40 7/8 inches (76.4 _ 103.8 cm); Framed: 37 3/4 _ 47 3/4 _ 2 1/4 inches (95.9 _ 121.3 _ 5.7 cm)	woman (his daughter) in grey, the subject work is the most appropriate comparable is the Nova Scotia Fishermen which sold in 1997, as no other works of this size and dark quality have come up. the Gloucester Dogtown pictures and the New Mexico Recollection pictures are inappropriate. the Nova Scotia Fishermen sold for \$745K but the figural aspect raises the value.
Paintings	American Art before 1950	\$	2,500,000	\$	3,000,000	Betty Krulik	DIA no. 45.454	Georgia	O'Keeffe	Stables	1932	Oil on canvas	12 x 32 in.; 30.5 x 81.3 cm; Framed dimensions: 13 5/8 x 33 1/2 x 1 7/16 in.	a near exact comparable sold at Sothebys on May 21, 2014 it was slightly larger at 18 inches rather than 12 inches high, but same width, but the Sothebys work was a night scene, possibly more dramatic, it sold for \$2.9M including buyers premium
Paintings	American Art before 1950	\$	300,000	\$	400,000	Betty Krulik	DIA no. 45.455	Charles	Sheeler	Home Sweet Home	1931	Oil on canvas	Unframed: 36 x 29 in. (91.4 x 73.7 cm); Framed: 43 1/4 x 36 1/4 x 2 in. (109.9 x 92.1 x 5.1 cm)	The subject work was done multi patterned, and hard edge, but not a precisionist picture (which is the type of work for whichSheeler is best known) The Still Life with Tulips sold in May 2012 at Christies is the closest comparable, selling for \$422,000..
Paintings	American Art before 1950	\$	125,000	\$	175,000	Betty Krulik	DIA no. 45.469	Rembrandt	Peale	Self Portrait	1828	Oil on canvas	19 x 14 1/2 in. (48.3 x 36.8 cm); Framed: 25 5/16 x 20 9/16 x 3 1/2 in.	a nearly exact comparable is a self portrait that came on the market in 1999, selling for \$145,000. while it was years ago, it sets the standard for a Rembrandt Peale self portrait-- according to the photos on the DIA sight there seems to be conditon issues.
Paintings	American Art before 1950	\$	6,000,000	\$	8,000,000	Betty Krulik	DIA no. 46.134	Thomas	Cole	From the Top of Kaaterskill Falls	1826	Oil on canvas	31 1/8 x 41 1/8 in. (79.06 x 104.46 cm); Framed: 42 1/4 x 52 1/8 x 3 1/4 in.	The market for Cole's major works is rarely tested at auction. but the private market place when major works come to it, is robust. with the Warner picture selling privately in the \$20million range. The Warner picture was an icon. of similar size and date. A more conservative value is appropriate because this work is somewhat less dramatic, and most of the big buyers currently high end for american paintigns have already purchased their Coles.

Paintings	American Art before 1950	\$	700,000	\$	1,000,000	Betty Krulik	DIA no. 46.135	Martin Johnson Heade	Sunset	c. 1880	Oil on canvas	17 1/4 x 36 3/8 in. (43.8 x 92.4 cm); Framed: 28 1/16 x 47 3/16 x 5 in.	in the height of the market a very subtle work in untouched condition sold for almost \$3M. That work must be discounted as an anomaly, as it is so far from the regular trade in Heade. Most sunsets such as this, that come on the market are a slightly smaller size and sell for \$500-700,000. This being larger would have a higher value, but most important in Heade is CONDITION, if there is any staining from the sizing or inpaint the value can be significantly compromised. This value is pending
Paintings	American Art before 1950	\$	25,000,000	\$	45,000,000	Betty Krulik	DIA no. 46.309	James Abbott McNeill	Whistler Nocturne in Black and Gold, the Falling Rocket	1875	oil on panel	Framed: 36 3/4 _ 30 1/4 _ 3 1/4 inches (93.3 _ 76.8 _ 8.3 cm); Unframed: 23 3/4 _ 18 3/8 inches (60.3 _ 46.7 cm)	There is not a more important Whistler. This work would transcend the American Art Market, it would be sought after by any impressionist collector world wide, therefore. There are no comparables for Whistler, but one could look to Sargent as a world class artist that has sold for record prices due to his international status as an impressionist.
Paintings	American Art before 1950	\$	15,000,000	\$	20,000,000	Betty Krulik	DIA no. 46.310	John Singleton Copley	Watson and the Shark	1782	oil on canvas	Framed: 45 3/16 _ 39 _ 2 1/2 inches (114.8 _ 99.1 _ 6.4 cm); Unframed: 36 _ 30 1/2 inches (91.4 _ 77.5 cm)	This painting is a study for the large (72 x 90 inch) work at the Museum of Fine Arts, Boston. Being a smaller scale work is a benefit. It is one of the most famous American paintings of the colonial period. There are no major history paintings which to compare this work. It could be compared to the highest priced American paintings - Cole, Church, Durand. But since this is not the final work, but a study for the Boston picture, the value would be
Paintings	American Art before 1950	\$	400,000	\$	600,000	Betty Krulik	DIA no. 47.122	George Benjamin	Luks	1907	Oil on canvas	Unframed: 41 x 33 in. (104.1 x 83.8 cm)	Of the 200 Oils that have come on the market only 4 works sold for more than \$200K. The record price for a Luks is the Lilly Williams which sold for \$1.8M. The DIA painting is not in that category, as the figure is not a child. The closest comparable is On the Corner which sold in 1988 for \$385K, also images of children. While a great ASH CAN image, the market still likes attractive sitters. The color in this painting is an asset. there
Paintings	American Art before 1950	\$	3,000,000	\$	5,000,000	Betty Krulik	DIA no. 47.81	Winslow Homer	The Dinner Horn	1873	Oil on canvas	11 7/8 x 14 1/4 in. (30.2 x 36.2 cm); Framed: 20 7/8 x 23 x 3 1/2 in.	One of the great Homers of the 1870s. The Dinner Horn is more attractive than the larger Reverie picture that was unsold in 2011. The high price for a Homer Oil, was a picture slightly smaller but approximately the same date Peach Blossoms which sold for \$2.8 M in 2010. The subject work is a more attractive subject and has wonderful finish and would be highly sought after in the market.
Paintings	American Art before 1950	\$	20,000,000	\$	30,000,000	Betty Krulik	DIA no. 50.138	George Caleb Bingham	The Trappers' Return	1851	oil on canvas	Unframed: 26 1/4 _ 36 1/4 inches (66.7 _ 92.1 cm); Framed: 31 1/4 _ 41 1/16 _ 2 3/4 inches (79.4 _ 104.3 _ 7 cm)	This work is an icon by the artist, there are no comparables aside from the iconic paintings by American artists sold in the \$30-40,000,000. price range. Durand, Rockwell, Cole, Church.
Paintings	American Art before 1950	\$	300,000	\$	400,000	Betty Krulik	DIA no. 50.19	Albert Pinkham Ryder	The Tempest	1892, reworked 1896/1918	Oil on canvas	27 3/4 x 35 in.; 70.5 x 88.9 cm; Framed: 43 5/8 x 51 x 6 1/8 in.	While an important figure in American Art, Ryder is always a difficult "sell" because of condition issues. The only other large work to come on the market in 2010, was The Lorelie, 22 x 19, which failed to sell with an estimate of \$120-180,000. A rough time in the market The record is \$209K for a small landscape in 2004. A more appropriate comp is At the Ford, a dark brooding work which while significantly smaller at 12 x 11 in., sold for \$113K. This work being 4 times the size would have a value in the \$3-400K range. Brown paintings are not at all

Paintings	American Art before 1950	\$	400,000	\$	600,000	Betty Krulik	DIA no. 50.31	John	Haberle	Grandma's Hearthstone	1890 oil on canvas	Unframed: 99 x 66 inches (251.5 x 167.6 cm); Framed: 100 1/4 x 70 5/8 x 2 3/8 inches (254.6 x 179.4 x 6 cm)	the record price of \$350K achieved in 2006 for a Confederate Note, is not an appropriate comparable as the subject work is not an monetary image and certainly not a southern image as was the Confederate Note. A more appropriate comparable from which to extrapolate a value is Wife, Wine and Song, which was 30 x 25 inches sold for 286K in 1987. The subject work has several problems, first it is so large as to have a stumbling block for sale, and it is not the money pictures which are the money makers for Haberle.Due to huge size the value must be conservatively placed at \$4-600K. or less.
Paintings	American Art before 1950	\$	150,000	\$	250,000	Betty Krulik	DIA no. 50.58	Charles Willson		James Peale; Alternate Title: The Lamplight Portrait; Alternate Title: The Lamplighter Portrait	1822 oil on canvas	Framed: 35 1/8 _ 43 7/8 _ 4 inches (89.2 _ 111.4 _ 10.2 cm); Unframed: 24 1/2 _ 36 inches (62.2 _ 91.4 cm)	it is the portraits of George Washington that make record prices, even though this is a wonderful portrait of the artists brother, the lack of color (predominantly brown) would hold this back in the market. For the non Washington portraits the high price is for David Rittenhouse important Philadelphia family, a work twice the size selling in 1986 for \$450K when the Dietrich family was buying- they are no longer buyers since Dietrich died. a more appropriate comparables are the Depyster and Bordley portraits that sold for \$104K and \$265K respectively therefore a avalue of \$150-250K is appropriate.
Paintings	American Art before 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 51.331	George	Inness	The Lonely Pine; Alternate Title: The Lonely Pine - Sunset	1893 oil on canvas	Unframed: 30 1/2 _ 45 inches (77.5 _ 114.3 cm); Framed: 41 3/8 _ 56 1/2 _ 3 1/8 inches (105.1 _ 143.5 _ 7.9 cm)	Pending conditon, this work has the smokey ethereal quality that is sought after in Inness's late work, and has the benefit of good color in the sky
Paintings	American Art before 1950	\$	4,000,000	\$	6,000,000	Betty Krulik	DIA no. 51.66	Winslow	Homer	Defiance: Inviting a Shot Before Petersburg	1864 Oil on panel	Unframed: 12 x 18 in. (30.5 x 45.7 cm); Framed: 19 3/4 x 25 3/4 x 2 3/4 in. (50.2 x 65.4 x 7 cm)	An important civil war picture, ti would exceed the records for the Homer "home sweet home" which sold for \$2.6m in 1987
Paintings	American Art before 1950	\$	700,000	\$	1,000,000	Betty Krulik	DIA no. 52.118	John Singleton	Copley	Head of a Negro	1777/1778 Oil on canvas	21 x 16 1/4 in. (53.3 x 41.3 cm); Framed: 27 3/4 x 23 3/4 x 2 1/2 in. (70.5 x 60.3 x 6.4 cm)	a study for the African American man in Watson and the shark, it is a beautiful dignified portrait. There are no comparables, but the robust african american market would propel this work towards \$1M.
Sculpture	American Art before 1950	\$	600,000	\$	800,000	Betty Krulik	DIA no. 52.246	Augustus	Saint-Gaudens	Abraham Lincoln	1887/1912 Bronze	40 1/4 x 16 1/4 x 28 3/4 in. (102.2 x 41.3 x 73.0 cm)	the met purchased a version that was owned and sold by descendents of John Hay, several years ago, for this approximate price range.
Paintings	American Art before 1950	\$	2,000,000	\$	3,000,000	Betty Krulik	DIA no. 52.27	George Caleb	Bingham	The Checker Players	1850 Oil on canvas	25 x 30 in.; 63.5 x 76.2 cm; Framed: 30 1/2 x 35 9/16 x 2 3/4 in.	An important painting but not as iconic as the trappers return, this work would far exceed the auction record of \$493K which is the record for Bingham at auction. It is more in line with the values for Charles Deas, where the Winnebagos Playing Checkers sold in 2003 or \$775,000 but would trade today for \$2-3M.
Paintings	American Art before 1950	\$	500,000	\$	750,000	Betty Krulik	DIA no. 54.100	John Singer	Sargent	Judith Gautier	c. 1885 Oil on panel	Framed: 46 1/4 x 32 5/16 x 3 5/8 in. (117.48 x 82.07 x 9.21 cm); 39 x 24 1/2 in.; 99.1 x 62.2 cm	while the sitter is not fabulously beautiful, the background and the interior are beautifully painted. many of the full scale portraits have not sold in recent sales. The closest comparable is the Elsie Wagg portrait of a woman in a white dress that sold in December of 2013 for \$413K, this is more than a portrait, therefore a higher price.

Paintings	american art before 1950	\$	1,500,000	\$	2,000,000	Betty Krulik	DIA no. 54.118	Charles	Demuth	Buildings Abstraction, Lancaster	1931	Oil on board	Board: 27 7/8 x 23 5/8 in. (70.8 x 60.0 cm); Framed: 33 3/16 x 29 x 1 1/16 in. (84.3 x 73.7 x 2.7 cm)	Demuth oils are rare to the market, with only 6 works coming on the public market since the mid 1980s. A cubist tempera "In a Key of Blue" 19 x 16 in. came up and sold for \$1.6M, it was not as complex and colorful as the subject work. But the DIA picture is not as cubistic. Therefore the work is worth more than the Key of Blue, but not considerably more.
Paintings	American Art before 1950	\$	400,000	\$	600,000	Betty Krulik	DIA no. 55.175	Richard Caton	Woodville	The Card Players	1846	Oil on canvas	18 1/2 x 25 in. (47.0 x 63.5 cm); Framed: 27 1/8 x 33 9/16 x 2 5/8 in.	Woodville, like Charles Deas, is very rare to the market His most important painting was sold to Crystal Bridges for untold millions. However this work is more akin to Walking the Chalk, a Charles Deas of approximately the same size sold by Debra Force to the MFA, Houston, for approximately \$650,000.at the high point in the market.
Paintings	American Art before 1950	\$	700,000	\$	1,000,000	Betty Krulik	DIA no. 56.31	Thomas	Cole	American Lake Scene	1844	oil on canvas	Framed: 27 1/8 _ 33 _ 4 inches (68.9 _ 83.8 _ 10.2 cm); Unframed: 18 1/4 _ 24 1/2 inches (46.4 _ 62.2 cm)	The most appropriate comparable is the Christies 2009 work, View of Kaaterskill Clove, of similar size that sold for \$1,000,000. This work does not have the dramatic sky, but it does have an native american figure, and an excellent provenance which would be appealing to the market
Paintings	American Art before 1950	\$	2,500,000	\$	3,500,000	Sabine Wilson	DIA no. 59.11	Lyonel	Feininger	Fisher off the Coast	1941	Oil on canvas	canvas: 19 1/2 x 36 in. (49.5 x 91.4 cm); Framed: 26 15/16 x 44 x 2 3/8 in. (68.4 x 111.8 x 6 cm)	Summary not provided
Paintings	American Art before 1950	\$	80,000	\$	120,000	Betty Krulik	DIA no. 59.312	John Mix	Stanley	Mountain Landscape with Indians	1870/1875	Oil on canvas	Canvas: 18 x 30 1/4 in. (45.7 x 76.8 cm); Framed: 29 1/4 x 41 1/4 x 3 3/8 in. (74.3 x 104.8 x 8.6 cm)	of the 9 landscapes that have come on the market, most sell for under \$50,000. however this one with it's encampment of Native Americans, would be more appealing to the general market.
Paintings	American Art before 1950	\$	2,500,000	\$	3,500,000	Betty Krulik	DIA no. 61.165	John	Sloan	Wake of the Ferry, No. 1	1907	Oil on canvas	26 x 32 in.; 66.0 x 81.3 cm; Framed: 31 7/8 x 37 7/8 x 3 1/8 in.	An important painting, this Sloan is comaprable to the record priced works by the artist, while it has little color, it is an iconic ashcan picture. of concern is condition, the photo on the DIA website shows significant cracklure.
Paintings	American Art before 1950	\$	2,000,000	\$	3,000,000	Betty Krulik	DIA no. 61.28	Albert	Bierstadt	The Wolf River, Kansas	c. 1859	Oil on canvas	48 1/4 x 38 1/4 in. (122.6 x 97.2 cm); Framed: 61 5/16 x 51 1/2 x 5 1/8 in.	An Early work of the west with Indian Encampment, this would be sought after in the current market, where western paintings are strong due to the strength of the oil industry. While not the most iconic of works (those with sunsut skys and dramatic landscape) it has the native americans and the great early date, would put it towards the top of the
Paintings	American Art before 1950	\$	200,000	\$	300,000	Betty Krulik	DIA no. 67.254	William Merritt	Chase	Mrs. William Merritt Chase	c. 1890	Oil on canvas	Framed: 26 7/8 x 22 7/8 x 2 1/4 in. (67.15 x 58.10 x 5.72 cm); 20 x 16 in.; 50.8 x 40.6 cm	Most portraits of Mrs. Chase rarely make more than 250,000. however this work is particularly attractive. In 2000, Mrs. Chase in spanish costume (32 x 25 in.)made \$357,000. this is more attractive but considerably smaller, but very attractive.
Paintings	American Art before 1950	\$	3,500,000	\$	4,500,000	Sabine Wilson	DIA no. 69.305	Lyonel	Feininger	Sailboats	1929	Oil on canvas	17 x 28 1/2 in.; 43.2 x 72.4 cm; Framed Dimensions: 21 3/8 x 33 1 3/16	
Paintings	American Art before 1950	\$	2,500,000	\$	3,500,000	Betty Krulik	DIA no. 70.150	Winslow	Homer	The Four-Leaf Clover	1873	Oil on canvas	14 1/4 x 20 3/8 in. (36.2 x 51.8 cm); Framed: 25 x 31 x 4 in.	akin to the high price for a homer oil, the 4 leaf clover is of similar date but slightly smaller than Peach Blossoms which sold for \$2.8M.

Paintings	American Art before 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 70.680	Theodore Robinson	Scene at Giverny; Alternate Title: Normandy Farm; Alternate Title: Farm House and Rick	1890 Oil on canvas	16 x 25 3/4 in.; 40.6 x 65.4 cm; Framed: 29 7/16 x 39 3/8 x 2 3/8 in.	Most straight landscapes without figures by robinson rarely sell, while this is a classic Giverny landscape, the high price for a landscape larger was in 1988 for \$330,000. a near exact comparable, but 23 x 40 inches (almost double in size). Robinson is known for the giverny landscape with figures, of attractive women.
Paintings	American Art before 1950	\$	200,000	\$	300,000	Betty Krulik	DIA no. 70.831	Benjamin West	Lot Fleeing from Sodom	1810 Oil on panel	Framed: 54 1/2 x 85 3/8 x 2 1/2 in. (138.43 x 216.85 x 6.35 cm); 47 1/8 x 78 1/8 in. (119.7 x 198.4 cm)	large history paintings that have little to do with American History rarely sell well, with the exception of The Battle of La Hogue at \$632,000 in 2006 a work of similar size. which sold against an estimate of 250,000. This being oversized and a relic of similar date to the record price of \$3.3M for the NYPublic Library work. at the height of the market, this would do well as she is attractive and an american sitter.
Paintings	American Art before 1950	\$	2,500,000	\$	3,500,000	Betty Krulik	DIA no. 70.900	John Singleton Copley	Hannah Loring	1763 Oil on canvas	49 3/4 x 39 1/4 in. (126.4 x 99.7 cm); Framed: 58 1/4 x 49 1/4 x 4 in.	
Paintings	American Art before 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 72.839	Thomas Wilmer Dewing	Classical Figures	1898 Oil on panel	Center panel: 65 1/8 x 24 in. (165.4 x 61.0 cm); Left panel: 65 1/8 x 24 in. (165.4 x 61.0 cm); Right panel: 65 x 23 in.(165.1 x 58.4 cm); Framed: (H at left x W foot to) 74 1/4 x 76 1/2 in. (188.6 x 194.3 cm)	This series is very large and very faint and tonal. The most appropriate comparables are the 2004 (the height of the market) pair that came up at Shannons for 100-150K each. they were in rough condition and did not sell. These are of similar size and degree of tonality, better condition, therefore a value of \$300-500K is appropriate
Paintings	American Art before 1950	\$	1,500,000	\$	2,500,000	Betty Krulik	DIA no. 73.41	John Singer Sargent	Madame Paul Poirson	1885 Oil on canvas	60 x 34 in. (152.4 x 86.4 cm); Framed: 78 x 52 x 4 1/8 in.	Young women in white dresses are amongst the most saleable of Sargents portraits. in 2013 Mrs. Richard Derby sold for \$1.8M, however the most comparable work is the Mrs. Pauline Astor which sold for \$1.9M in 1997. the market for Sargent portraits has held steady. The market has been cautious in the past 5 years, evidenced by Mrs. C. Endicott selling in 2007 for \$2.1M, and reselling in 2010 for \$1.3.M (a drop of a third)
Paintings	American Art before 1950	\$	40,000,000	\$	60,000,000	Betty Krulik	DIA no. 76.89	Frederic Edwin Church	Cotopaxi	1862 oil on canvas	Unframed: 48 _ 85 in. (121.9 _ 215.9 cm); Framed: 66 5/8 in. _ 103 in. _ 6 1/4 in. (169.2 _ 261.6 _ 15.9 cm)	While this work is dramatic, large and iconic, the market at the highest end is very small. This appraiser would value the top end of the american art market in the 30-50M range as that is the range in which the Icons have sold over the past 10 years, at the height of the market, and now when the highest priced works have not exceeded \$50,000,000.
Paintings	American Art before 1950	\$	1,500,000	\$	2,500,000	Betty Krulik	DIA no. 78.38	Jasper Francis Cropsey	Indian Summer	1866 Oil on canvas	53 x 95 in. (134.6 x 241.3 cm); Framed: 74 5/8 x 116 1/2 x 7 1/2 in.	Super large this work would make more than the record for Cropsey in the US of 1M, and nearly as much as the Richmond Hill picture that sold at this work is grey and tonal, it has some small figures holding flowers but it lacks the figural dominance that the market prefers in Hassams Paris views. the most appropriate comparable is the Larger (21 x 28) Quai St Michel, which sold for \$2M in 2011. even before the recession a rainy street scene sold in 2007 for \$1.2M
Paintings	American Art before 1950	\$	1,200,000	\$	1,800,000	Betty Krulik	DIA no. 79.143	Childe Hassam	Notre Dame Cathedral, Paris, 1888	1888 Oil on canvas	17 1/2 x 21 1/2 in.; 44.5 x 54.6 cm; Framed : 29 3/4 x 34 x 3 1/2	an important painting but difficult "sell" a value close to the Battle of La Hogue (\$632000 in 2006) example is appropriate, but less as the work is significantly smaller.
Paintings	American Art before 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 79.33	Benjamin West	Death on the Pale Horse; Alternate Title: The Opening of the Four Seals	1796 Oil on canvas	23 3/8 x 50 5/8 in. (59.5 x 128.5 cm); Framed: 36 1/2 x 63 1/8 x 3 1/8 in.	

Paintings	American Art before 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 82.26	John White	Alexander	Panel for Music Room	1894 Oil on canvas	37 x 77 3/4 in. (94.0 x 197.5 cm); Framed: 50 1/2 x 90 3/4 x 3 in.	This work is large, while it is lovely the size is a detriment, the record price for Alexander is \$500,000. in 1995., it was just a bit larger, than the subject work. Few Alexanders and no comparables have come on the market in the last 15 years. the one that did repeat only increased in price by 10% in 15 years.	
Sculpture	American Art before 1950	\$	40,000	\$	60,000	Betty Krulik	DIA no. 82.3	Paul	Manship	The Moods of Time: Evening	1938 Bronze	44 x 67 in.; 111.8 x 170.2 cm	The set of two came up at bonhams in 2009 selling for \$90K, therefore the individual Moods of Time, Evening would be worth half.	
Paintings	American Art before 1950	\$	1,800,000	\$	2,200,000	Betty Krulik	DIA no. 2011.18	Sanford Robinson	Gifford	On the Nile	1872 Oil on canvas	17 x 31 in.	A recent purchase the purchase price is the Fair Market Value	
Paintings	European Painting	\$	80,000	\$	120,000	Betty Krulik	DIA no. 85.3	Rembrandt	Peale	The Court of Death	1820 Oil on canvas	Framed: 152 x 295 x 7 inches (386.08 x 749.3 x 17.78 cm); 138 x 281 inches (350.5 x 713.7 cm)	this very large allegory is a difficult sell because of its huge format, and dark subject matter. It is unlikely that it would be shown by a collector or an institute due to its large size. Closest comps are not	
Artvest Total American Art		\$	220,235,000	\$	322,205,000									
Furniture	American Art before 1950	\$	800,000	\$	1,200,000	JHY	DIA no. 48.274	Nathan	Bowen	Chest on Chest	1774 Mahogany, white pine and brass	90 1/2 x 45 1/2 x 23 1/2 in.; 229.9 x 115.6 x 59.7 cm	Sotheby's NY, Jan. 23, 2009, lot 174, \$1,762,500; Sotheby's NY, Jan. 19, 2002, lot 189, \$913,250; Christie's NY, Jan. 17, 2008, lot 461, \$1,049,000	
Furniture	American Art before 1950	\$	400,000	\$	600,000	JHY	DIA no. 66.131	George	Bright	Secretary; Alternate Title: Secretary Bookcase	between 1770 and 1785	mahogany, white pine, mirrors, gilt and brass	Overall: 102 1/2 in. _ 42 1/2 in. _ 24 in. (260.4 _ 108 _ 61 cm)	Sotheby's NY, Jan. 22, 2004, lot 1169, \$430,400; Sotheby's NY, Jan 19, 2007, Lot 585, \$420,000 Sotheby's NY Jan. 18, 2008, lot 186, \$337,000.
Furniture	American Art before 1950	\$	1,000,000	\$	2,000,000	JHY	DIA no. 73.3	Henry Clifton and Thomas	Carteret	High Chest of Drawers; Alternate Title: High Boy	1755/1765	Mahogany and brass	overall height: 96 3/4 in.; 245.7 cm; top: 59 1/2 x 45 x 22 5/8 in.; 151.1 x 114.3 x 57.5 cm; bottom: 37 1/4 x 44 1/4 x 22 1/4 in.; 94.6 x 112.4 x 56.5 cm	Comparable one was a sale for \$1.8 million Christie's NY auction, May 19, 2005, lot 109; comparable two was from Christie's NY auction September 25, 2008, Lot 31, \$1,082,500; comparable three is a dressing table from Sotheby's NY, September 26, 2008, lot 9 for \$1,142,500.
Timepieces	Timepieces	\$	60,000	\$	80,000	JHY	DIA no. 1997.72.A	Louis Comfort	Tiffany	Tall Case Clock	1882/1883	Mahoganized cherry; stained glass; silvered bronze and leather	Clock and base: 97 x 20 3/4 x 20 3/4 in. (246.4 x 52.7 x 52.7 cm)	Sotheby's NY, Ocotober, 13- 15, 2004, lot 712, \$54,000; Sotheby's NY, October 12, 2004, lot 70, \$54,000
Artvest Total American Furniture		\$	2,260,000	\$	3,880,000									

Sculpture	Ancient Near Eastern Art Sculpture	\$	30,000,000	\$	70,000,000	JHY	DIA no. 31.25	Neo-Babylonian	Ishtar Gate, Dragon of Marduk; title: Ishtar Gate, Dragon of Marduk; Alternate Title: Mushhush	between 604 and 562 BCE	glazed terracotta and molded brick	Overall: 45 1/2 _ 65 3/4 inches (115.6 _ 167 cm)	No direct auction comparables. The closest would be the Diana sold by Albright-Knox, Sotheby's, June 7, 2006, for \$28 million; or the Limestone figure of a Lionness, Sotheby's, December 5, 2007 for \$57 million formerly from the Martin Collection. Other terracotta fragments in Museums in North America have lions, this is the only one that is a dragon. Also, this specific example came from the wall of the gate itself; the lions were along the wall flanking the way, and this could be an important differential in selling price were this to be sold at auction, hence our large spread in the estimate.
Sculpture	Ancient Near Eastern Art Sculpture	\$	40,000,000	\$	80,000,000	JHY	DIA no. 50.32	Neo-Assyrian	Tiglath-Pileser III Receiving Homage	745/727 BC	Limestone relief carving	48 x 94 in.; 121.9 x 238.8 cm	An Assyrian relief in the Miho Museum is 110 x 183 cm. (roughly half the size of the one in the DIA collection) and was purchased by them in the early 90's setting a new record price at approximately \$12 million at Sotheby's NY, the last time a figurative panel from this important site was sold at auction. On December 10, 2010, lot 33 sold for \$290 thousand, which was approximately 10cm. x 10 cm.
Sculpture	Ancient Near Eastern Art Sculpture	\$	10,000,000	\$	30,000,000	JHY	DIA no. 82.64	Neo-Sumerian	Gudea of Lagash	2141/2122 BC	Paragonite	15 1/2 x 5 1/4 x 2 1/2 in. (39.37 x 13.34 x 6.35 cm)	No direct auction comparables. Figures from this culture are very rare. Three more primitive figures from an earlier (and less valuable period) were sold at auction: Sotheby's NY, June 7, lot 80, \$3,176,000, An Elamite copper figure, circa 300 - 2800 BC from teh Albright-Knox Museum; Sotheby's NY June 7, 2007 lot 81, \$1,720,000, A Summarian figure from the Albright-Knox Museum; and Sotheby's NY, Dec. 10, 2008, lot 59, \$782,500.

Artvest Total	\$	80,000,000	\$	180,000,000
Ancient Near Eastern Art				

Paintings	Asian Art	\$	200,000	\$	300,000	JHY	DIA no. 40.161	Shen	Zhou	Ode to the Pomegranate and Melon Vine	c. 1506/1509	Ink and colors on paper	Image: 59 3/16 x 31 in.; Overall scroll including hanging fabric and bottom roller: 111 5/8 x 41 in.; 280.7 x 104.1 cm	Christie's Hong Kong, October 27, 2002, lot 418, \$224,133; Christie's Hong Kong, March 18, 2009, lot 339, \$218,500
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Artvest Total	\$	200,000	\$	300,000
Asian Art				

Sculpture	Contemporary Art after 1950	\$	26,000,000	\$	28,000,000	Sabine Wilson	DIA no. 1988.175	Alberto	Giacometti	Standing Woman II; Title: Grand femme debout II	1960 bronze	Overall: 108 1/2 inches _ 12 1/4 inches _ 23 inches (275.6 _ 31.1 _ 58.4 cm)	Summary not provided
Paintings	Contemporary Art after 1950	\$	10,000,000	\$	15,000,000	Sabine Wilson	DIA no. 1988.177	Willem	de Kooning	Merritt Parkway	1959 Oil on canvas	Canvas: 80 x 70 1/2 in. (203.2 x 179.1 cm); Framed: 81 x 70 7/8 x 7 in	Summary not provided

Paintings	Contemporary Art after 1950	\$	3,000,000	\$	5,000,000	Betty Krulik	DIA no. 1988.18	Joan	Mitchell	Before, Again II	1985 Oil on canvas	110 x 78 3/4 x in. (200.0 cm x 279.4); Framed: 111 3/8 x 79 7/8 x 2 1/4 in. (282.9 x 203.1 x 5.7 cm)	Mitchell prices are in flux currently, two almost exact comparable sold in December of 2013 in Sothebys Paris for \$4.7M, and another at Christies Paris in May of 2013 for \$2.8M. Works from the 1960s have made record prices in the past year, but the 1980s are steady.
Paintings	Contemporary Art after 1950	\$	6,000,000	\$	8,000,000	Sabine Wilson	DIA no. 1992.1	Roy	Lichtenstein	Interior with Mirrored Closet	1991 Oil and magna on canvas	118 1/4 x 144 1/8 x 2 5/8 in. (300.4 x 366.1 x 6.7 cm)	Summary not provided
Paintings	Contemporary Art after 1950	\$	1,500,000	\$	2,000,000	Sabine Wilson	DIA no. 2010.106	Philip	Guston	Driver	1975 Oil on canvas	Framed: 72 1/2 x 76 1/2 in.; Unframed: 63 1/4 x 67 1/4 in.	Summary not provided
Paintings	Contemporary Art after 1950	\$	9,000,000	\$	12,000,000	Sabine Wilson	DIA no. 55.353	Francis	Bacon	Study for Crouching Nude	1952 oil and sand on canvas	Framed: 85 3/8 _ 61 1/2 _ 3 7/8 inches (216.9 _ 156.2 _ 9.8 cm); Canvas: 45 1/2 x 35 in. (115.6 x 88.9 cm); Framed: 46 5/8 x 35 7/8 x 1 3/4 in. (118.4 x 91.1 x 4.4 cm)	Summary not provided
Paintings	Contemporary Art after 1950	\$	2,500,000	\$	4,000,000	Sabine Wilson	DIA no. 60.88	Alberto	Giacometti	Annette Seated	1958 Oil and pencil on canvas	Framed: 46 5/8 x 35 7/8 x 1 3/4 in. (118.4 x 91.1 x 4.4 cm)	Summary not provided
Paintings	Contemporary Art after 1950	\$	3,000,000	\$	4,000,000	Betty Krulik	DIA no. 63.156	Stuart	Davis	Standard Brand	1961 Oil on canvas	60 x 46 in. (152.4 x 116.8 cm); Framed: 67 5/8 x 53 3/4 x 2 5/8 in. (171.8 x 136.5 x 6.7 cm)	a large but LATE work, most of these late works are smaller 20 x 14 ish, and sell in the 700K range this being significantly larger would sell for close to the records.
Paintings	Contemporary Art after 1950	\$	1,500,000	\$	2,000,000	Sabine Wilson	DIA no. 64.155.A	Robert	Indiana	The Brooklyn Bridge; Alternate Title: Night 1	1964 Oil on canvas	135 x 135 x 1 1/2 in.; 342.9 x 342.9 x 3.81 cm	Summary not provided
Paintings	Contemporary Art after 1950	\$	18,000,000	\$	24,000,000	Sabine Wilson	DIA no. 65.310	Clyfford	Still	Painting, 1951; title: Painting, 1951	1951 Oil on canvas	93 1/2 x 82 x 1 1/2 in. (237.49 x 208.28 x 3.81 cm)	Summary not provided
Paintings	Contemporary Art after 1950	\$	15,000,000	\$	20,000,000	Sabine Wilson	DIA no. 65.7	Franz	Kline	Siskind	1958 Oil on canvas	Canvas: 80 x 111 in. (203.2 x 281.9 cm); Framed: 81 1/2 x 112 1/2 x 2 3/8 in. (207.01 x 285.75 x 6.03 cm); Canvas: 80 x 111 in. (203.2 x 281.9 cm); Framed: 81 1/2 x 112 1/2 x 2 3/8 in. (207.01 x 285.75 x 6.03 cm)	Summary not provided
Sculpture	Contemporary Art after 1950	\$	3,000,000	\$	5,000,000	Betty Krulik	DIA no. 65.76	John	Chamberlain	Coo Wha Zee	1962 Painted steel	72 x 60 x 50 in.; 182.9 x 152.4 x 127.0 cm	a large works of excellent date. the record prices are over \$4M.in recent years.
Paintings	Contemporary Art after 1950	\$	30,000,000	\$	40,000,000	Sabine Wilson	DIA no. 65.8	Mark	Rothko	Orange, Brown; Alternate Title: No. 202 (Orange, Brown)	1963 Oil on canvas	Canvas: 89 1/2 x 70 in. (227.3 x 177.8 cm); Framed: 90 1/8 x 69 1/8 x 2 1/2 in. (228.9 x 175.6 x 6.4 cm)	Summary not provided

Sculpture	Contemporary Art after 1950	\$	10,000,000	\$	20,000,000	Betty Krulik	DIA no. 66.36	David	Smith	Cubi I	1963 Stainless steel	124 x 34 1/2 x 33 1/2 in.; 315 x 87.6 x 85 cm	Few of these great works have come on the market in 1994 a record was achieved for a similarly dated work of \$4M. then in 2005 the recent record of \$23M was set for another large work from the same series. with the wild upswing in the contemporary masters market an appropriate value would range from \$10-20M, as this work has the balance issues for which he is best known.
Paintings	Contemporary Art after 1950	\$	2,000,000	\$	2,500,000	Sabine Wilson	DIA no. 66.68	Frank	Stella	Union I	1966 Alkyd fluorescent and epoxy paints on canvas	104 1/2 x 173 3/4 x 4 1/8 in. (265.4 x 441.3 x 10.5 cm)	Summary not provided
Sculpture	Contemporary Art after 1950	\$	3,000,000	\$	4,000,000	Betty Krulik	DIA no. 67.113	Alexander	Calder	The X and Its Tails	1967 Steel plate with black paint	120 x 120 x 144 in.; 304.8 x 304.8 x 365.8 cm	Calders The Wave and The Clove sold by Christies in 2011 for \$3.8M and \$2.8M are the most appropriate comparables due to the size and date of execution. Also the fact that they are Stables, not mobiles
Paintings	Contemporary Art after 1950	\$	20,000,000	\$	25,000,000	Sabine Wilson	DIA no. 68.292.1	Andy	Warhol	Self Portrait; former: Double Self Portrait	1967 acrylic and silkscreen enamel on canvas	Framed: 72 1/4 _ 72 1/4 _ 1 3/8 in. (183.5 _ 183.5 _ 3.5 cm); Unframed: 72 _ 72 in. (182.9 _ 182.9 cm)	Summary not provided
Paintings	Contemporary Art after 1950	\$	20,000,000	\$	25,000,000	Sabine Wilson	DIA no. 68.292.2	Andy	Warhol	Self Portrait	1967 Screen print in paint on canvas	Panel: 72 x 72 in. (182.9 x 182.9 cm); Framed: 72 1/4 x 72 1/4 x 1 3/8 in. (183.5 x 183.5 x 3.5 cm)	Summary not provided

Paintings	Contemporary Art after 1950	\$	6,000,000	\$	8,000,000	Sabine Wilson	DIA no. 69.1	Jean	Dubuffet	Le plomb dans l'aile; Alternate Title: Shot in the Wing; Alternate Title: Hard Hit	1961 Oil on canvas	Canvas: 74 1/2 x 98 3/4 in. (189.2 x 250.8 cm); Framed: 75 7/8 x 100 x 3 1/4 in. (192.7 x 254 x 8.3 cm)	Summary not provided
Sculpture	Contemporary Art after 1950	\$	300,000	\$	500,000	Betty Krulik	DIA no. 69.361	Ellsworth	Kelly	Black White	1968 Painted 1/2 inch aluminum	100 x 146 x 40 in.; 254.0 x 370.8 x 101.6 cm	known primarily for shaped canvases and sculpture and the works that sell best are from the 1980s, this early minimal work is monumental and shows the artists direction but is not iconic.therefore a modest value is appropriate
Paintings	Contemporary Art after 1950	\$	5,000,000	\$	7,000,000	Sabine Wilson	DIA no. 69.48	Robert	Rauschenberg	Creek	1964 Screen print in oil on canvas	Canvas: 72 x 96 in. (182.9 x 243.8 cm); Framed: 72 5/8 x 96 3/4 x 1 7/8 in. (184.5 x 245.8 x 4.8 cm)	Summary not provided
Paintings	Contemporary Art after 1950	\$	1,200,000	\$	1,800,000	Sabine Wilson	DIA no. 71.385.A	Richard	Artschwager	Hospital Ward	1968/1969 Acrylic on celotex	each panel: 68 3/4 x 45 5/8 x 1 1/2 in. (174.6 x 115.9 x 3.8 cm); Total triptych: 68 3/4 x 136 7/8 x 1 1/2 in. (174.6 x 347.7 x 3.8 cm)	Summary not provided
Paintings	Contemporary Art after 1950	\$	35,000,000	\$	45,000,000	Sabine Wilson	DIA no. 76.78	Barnett	Newman	Be I (second version)	1970 Acrylic on canvas	111 1/2 x 84 x 1 5/16 in. (283.2 x 213.4 x 3.3 cm)	Summary not provided
Sculpture	Contemporary Art after 1950	\$	300,000	\$	400,000	Betty Krulik	DIA no. 76.95	Robert	Smithson	Non Site - Site Uncertain	1968 cannel coal, steel and enamel	Overall: 15 _ 90 _ 90 inches (38.1 _ 228.6 _ 228.6 cm)	other non site works withthe same materials have come on the market in the last 5 to 6 years and made \$385K, and slightly less prior. with the market for this rare earth artist rising a value of 3-400K is appropriate
Paintings	Contemporary Art after 1950	\$	1,500,000	\$	2,500,000	Betty Krulik	DIA no. 77.12	Andrew	Wyeth	Sea Boots	1976 Tempera on masonite	29 x 19 3/4 in. (73.7 x 50.2 cm); Framed : 34 1/2 x 25 2/16 x 1 3/4 in. (87.63 x 64.29 x 4.45 cm)	The wyeth market has been flat since shortly after the artis died in 2009. we saw a short spike up in prices then most of the major temperas have failed to sell. This work while small is of the great date, and has the air of mystery for which Wyeth is well known.
Sculpture	Contemporary Art after 1950	\$	6,000,000	\$	8,000,000	Betty Krulik	DIA no. 79.34	Eva	Hesse	Accession II	1969 galvanized steel and vinyl	Overall: 30 3/4 _ 30 3/4 _ 30 3/4 inches (78.1 _ 78.1 _ 78.1 cm)	The highest price at auction is \$3 to \$4 million for quite different works, but nothing this complex has come up for auction.

Artvest	\$	238,800,000	\$	318,700,000
Contemporary Art				
After 1950				

Paintings	European Modern Art to 1950	\$	15,000,000	\$	20,000,000	Sabine Wilson	DIA no. 1988.176	Pablo	Picasso	Seated Woman	1960 Oil on canvas	Canvas: 57 1/2 x 45 in. (146.1 x 114.3 cm); Framed: 58 5/8 x 46 1/4 x 2 in. (148.9 x 117.5 x 5.08 cm)	Summary not provided
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Paintings	European Modern Art to 1950	\$	2,000,000	\$	3,000,000	Sabine Wilson	DIA no. 1988.178	Pablo	Picasso	Fruit, Carafe and Glass	1938 Oil on canvas	25 5/8 x 32 in.; 65.1 x 81.3 cm	Summary not provided
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Paintings	European Modern Art to 1950	\$	1,000,000	\$	3,000,000	Sabine Wilson	DIA no. 1999.119.A	Raoul	Dufy	The Allegory of Electricity	1936/1937	Watercolor, gouache on paper mounted on canvas	Overall: 38 1/2 x 235 in. (97.8 x 596.9 cm)	Summary not provided
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Paintings	European Modern Art to 1950	\$	18,000,000	\$	22,000,000	Sabine Wilson	DIA no. 2005.60	Pablo	Picasso	Girl Reading	1938 Oil on canvas	Framed: 35 1/2 x 30 in.; Unframed: 27 1/4 x 21 3/4 inches	Summary not provided
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Paintings	European Modern Art to 1950	\$	4,500,000	\$	6,500,000	Sabine Wilson	DIA no. 2005.62	Henri	Matisse	Anemones and Peach Blossoms	1944 Oil on canvas	Unframed: 21 3/4 _ 25 1/2 in. (55.2 _ 64.8 cm); Framed: 31 1/8 _ 35 1/2 _ 3 3/4 in. (79.1 _ 90.2 _ 9.5 cm)	Summary not provided
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Sculpture	European Modern Art to 1950	\$	800,000	\$	1,200,000	Sabine Wilson	DIA no. 2006.153	Raymond	Duchamp-Villon	Le Cheval Majeur (The Large Horse)	modeled 1914, Cast bronze cast 1966	59 x 58 1/2 x 31 1/2 in.	Summary not provided	
Sculpture	European Modern art to 1950	\$	25,000,000	\$	30,000,000	Sabine Wilson	DIA no. 22.143	Auguste	Rodin	The Thinker	1904 Bronze	200.7 x 130.2 x 140.3 cm (79 x 51 1/4 x 55 1/4 in.); weight approximately 2,000 lbs; Granite base weight 12,000 lbs	Summary not provided	
Paintings	European Modern Art to 1950	\$	80,000	\$	140,000	Sabine Wilson	DIA no. 30.291	Max	Kaus	Man in a Fur Coat	c. 1918	Oil on canvas	Canvas: 29 1/2 x 25 3/4 in. (74.9 x 65.4 cm); Framed: 37 x 33 7/16 x 1 3/4 in. (94 x 84.8 x 4.4 cm)	Summary not provided
Paintings	European Modern Art to 1950		Zero		value of the real estate	Betty Krulik	DIA no. 33.10	Diego M.	Rivera	Detroit Industry Murals	1932-1933	frescoes	various dimensions	the works would be destroyed if they were removed from the building, therefore the value is 0 OR the value of the real estate
Paintings	European Modern Art to 1950	\$	2,000,000	\$	3,000,000	Sabine Wilson	DIA no. 35.110	Oskar	Kokoschka	View of Jerusalem	1929-1930	oil on canvas	Unframed: 31 1/2 _ 50 1/2 inches (80 _ 128.3 cm); Framed: 42 7/8 _ 61 13/16 _ 4 1/2 inches (108.9 _ 157 _ 11.4 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	700,000	\$	1,000,000	Sabine Wilson	DIA no. 37.2	Karl	Schmidt-Rottluff	Rain Clouds, Lago di Garda	1927	Oil on canvas	Framed: 43 x 52 7/8 x 2 7/8 in. (109.2 x 134.3 x 7.3); Canvas: 34 1/2 x 44 1/4 in. (87.6 x 112.4 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	5,000,000	\$	7,000,000	Sabine Wilson	DIA no. 40.58	Ernst Ludwig	Kirchner	Winter Landscape in Moonlight; Alternate Title: Mountain Landscape	1919	Oil on canvas	Unframed: 47 1/2 x 47 1/2 in. (120.7 x 120.7 cm); Framed: 50 1/2 x 50 1/2 x 2 5/8 in. (128.3 x 128.3 x 6.7 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	1,500,000	\$	2,500,000	Sabine Wilson	DIA no. 44.271	Heinrich	Campendonk	In the Forest; Alternate Title: Im Wald	ca 1919	Oil on canvas	Canvas: 33 x 39 in. (83.8 x 99.1 cm); Framed: 38 1/4 x 44 3/16 x 2 in. (97.2 x 112.2 x 5.1 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	1,500,000	\$	2,500,000	Sabine Wilson	DIA no. 50.20	Max	Beckmann	Still Life with Lilies	1949	Oil on canvas	Canvas: 37 1/4 x 24 in. (94.6 x 61.0 cm); Framed: 43 1/2 x 31 7/8 x 2 5/8 in	Summary not provided
Paintings	European Modern Art to 1950	\$	3,000,000	\$	5,000,000	Sabine Wilson	DIA no. 51.65	Otto	Dix	Self Portrait	1912	Oil on paper mounted on poplar panel	Panel: 29 x 19 1/2 in. (73.7 x 49.5 cm); Framed: 34 5/8 x 25 1/2 x 3 1/2 in. (87.95 x 64.8 x 8.89 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	200,000	\$	300,000	Sabine Wilson	DIA no. 53.470	Oskar	Kokoschka	The Cat	1926	Oil on canvas	Framed: 47 7/16 x 61 1/4 x 3 3/8 in. (120.5 x 155.6 x 8.6 cm); Canvas: 35 3/4 x 49 1/2 in. (90.8 x 125.7 cm)	Summary not provided

Paintings	European Modern Art to 1950	\$	2,000,000	\$	3,000,000	Sabine Wilson	DIA no. 54.460	Emil	Nolde	Sunflowers; Alternate Title: Reife Sonnenblumen	1932	Oil on canvas	Canvas: 29 x 35 in. (73.7 x 88.9 cm); Framed: 35 1/2 x 42 3/4 x 3 in. (90.17 x 108.59 x 7.62 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	18,000,000	\$	24,000,000	Sabine Wilson	DIA no. 55.410	Max	Beckmann	Self Portrait in Olive and Brown	1945	Oil on canvas	Canvas: 23 3/4 x 19 5/8 in. (60.3 x 49.8 cm); Framed: 31 5/8 x 27 1/4 x 2 3/8 in. (80.3 x 69.2 x 6.0 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	25,000,000	\$	40,000,000	Sabine Wilson	DIA no. 56.144	Franz	Marc	Animals in a Landscape	1914	Oil on canvas	Canvas: 43 3/8 x 39 1/4 in. (110.2 x 99.7 cm); Framed: 46 7/8 x 43 x 2 1/4 in. (119 x 109.2 x 5.7 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	1,500,000	\$	2,500,000	Sabine Wilson	DIA no. 57.182	Otto	Mueller	Gypsy Encampment; Alternate Title: Zigeuner vor Zeit	c. 1925	Oil on canvas (see notes)	Canvas: 41 1/2 x 57 in. (105.4 x 144.8 cm); Framed: 43 1/2 x 59 5/16 x 2 3/4 in. (110.5 x 150.6 x 7 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	20,000,000	\$	30,000,000	Sabine Wilson	DIA no. 57.234	Wassily	Kandinsky	Study for Painting with White Form	1913	oil on canvas	Framed: 41 3/8 _ 36 1/2 _ 1 1/2 inches (105.1 _ 92.7 _ 3.8 cm); Unframed: 39 1/4 _ 34 3/4 inches (99.7 _ 88.3 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	1,500,000	\$	2,500,000	Sabine Wilson	DIA no. 58.385	Paula	Modersohn-Becker	Old Peasant Woman	c. 1905	Oil on canvas	Canvas: 29 3/4 x 22 3/4 in. (75.6 x 57.8 cm); Framed: 36 x 29 x 2 1/4 in. (91.4 x 73.7 x 5.7 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	800,000	\$	1,200,000	Sabine Wilson	DIA no. 59.443	Pierre	Bonnard	Woman with Dog	1924	Oil on canvas	31 x 15 5/8 in. (78.7 x 39.7 cm); Framed: 37 1/2 x 22 1/2 x 2 5/8 in. (95.3 x 57.2 x 6.7 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	1,200,000	\$	1,600,000	Sabine Wilson	DIA no. 59.450	Ernst Ludwig	Kirchner	Cafe	1928	Oil on canvas	Canvas: 31 1/2 x 27 1/2 in. (80.0 x 69.8 cm); Framed: 37 1/2 x 33 1/2 x 1 1/2 in.	Summary not provided
Paintings	European Modern Art to 1950	\$	1,000,000	\$	1,500,000	Sabine Wilson	DIA no. 61.48	Joan	Miró	Women and Bird in the Night; Alternate Title: Femmes et Oiseau dans la Nuit	1944	Oil on canvas	15 x 18 in.; 38.1 x 45.7 cm; Framed dimensions: 22 1/2 x 25 3/4 x 2 1/2	Summary not provided
Paintings	European Modern Art to 1950	\$	12,000,000	\$	15,000,000	Sabine Wilson	DIA no. 62.126	Pablo	Picasso	Portrait of Manuel Pallares	1909	Oil on canvas	26 3/4 x 19 1/2 in. (67.9 x 49.5 cm); Framed: 37 1/4 x 30 3/4 x 3 3/8 in. (94.6 x 78.1 x 8.6 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	3,000,000	\$	4,500,000	Sabine Wilson	DIA no. 62.141	Pablo	Picasso	Sylvette	1954	Oil on canvas	Unframed: 39 1/4 x 32 in. (99.7 x 81.3 cm); Framed: 48 5/8 x 41 x 1 3/4 in. (123.5 x 104.1 x 4.4 cm)	Summary not provided

Sculpture	European Modern Art to 1950	\$	600,000	\$	800,000	Sabine Wilson	DIA no. 62.97	Henry Moore	Reclining Figure	1930	Ancaster stone	13 x 20 1/4 x 7 3/4 in.; 33 x 51.4 x 19.7 cm	Summary not provided
Paintings	European Modern Art to 1950	\$	700,000	\$	1,000,000	Sabine Wilson	DIA no. 63.133	Oskar Kokoschka	Girl with Doll	c. 1921	Oil on canvas	Canvas: 36 x 32 in. (91.4 x 81.3 cm); Framed: 43 1/4 x 39 3/8 x 2 1/2 in. (109.9 x 100.0 x 6.4 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	800,000	\$	1,200,000	Sabine Wilson	DIA no. 63.134	Karl Schmidt-Rottluff	Man with a Green Beard	c. 1920	Oil on canvas	Framed: 42 5/16 x 36 3/4 x 2 1/8 in. (107.5 x 93.4 x 5.4 cm); Canvas: 35 1/2 x 30 1/4 in. (90.2 x 76.8 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	1,500,000	\$	2,500,000	Sabine Wilson	DIA no. 63.135	Karl Schmidt-Rottluff	Evening by the Sea	1919	Oil on canvas	Canvas: 34 x 39 3/4 in. (86.4 x 101.0 cm); Framed: 38 3/4 x 44 1/4 x 1 5/8 in. (98.4 x 112.4 x 4.1 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	700,000	\$	1,000,000	Sabine Wilson	DIA no. 64.218	Karl Hofer	Wind	1937	Oil on canvas	Canvas: 48 x 38 3/4 in. (121.9 x 98.4 cm); Framed: 52 3/8 x 44 3/16 x 2 1/2 in. (133.3 x 113.3 x 6.4 cm); Unframed: 51 x 77 in. (129.5 x 195.6 cm)	Summary not provided
Sculpture	European Modern Art to 1950	\$	800,000	\$	1,500,000	Sabine Wilson	DIA no. 64.264	Jean Arp	Torso of a Giant	1964	Bronze	49 x 34 x 35 in.; 124.5 x 86.4 x 88.9 cm	Summary not provided
Paintings	European Modern Art to 1950	\$	6,000,000	\$	8,000,000	Sabine Wilson	DIA no. 64.84	Juan Gris	Still Life	1916	Oil on canvas	Canvas: 31 3/4 x 23 1/2 in. (80.6 x 59.7 cm); Framed: 40 3/8 x 32 1/2 x 2 1/8 in. (102.55 x 81.44 x 5.08 cm)	Summary not provided
Sculpture	European Modern Art to 1950	\$	2,500,000	\$	5,000,000	Sabine Wilson	DIA no. 65.108	Henry Moore	Reclining Figure	1939	elmwood	Overall: 37 _ 79 _ 30 in. (94 _ 200.7 _ 76.2 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	12,000,000	\$	14,000,000	Sabine Wilson	DIA no. 66.66	Joan Miró	Self Portrait II; translated: Autoportrait II	1938	oil on burlap	Framed: 52 3/8 _ 78 1/16 _ 2 1/2 in. (133 _ 198.3 _ 6.4 cm); Unframed: 51 _ 77 in. (129.5 _ 195.6 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	8,000,000	\$	12,000,000	Sabine Wilson	DIA no. 70.158	Vincent Willem van Gogh	The Diggers; Alternate Title: Les Becheurs	1889	Oil on paper lined onto canvas	25 5/8 x 19 3/4 in. (65.1 x 50.2 cm); Framed: 35 5/8 x 29 3/4 x 2 1/2 in. (90.5 x 75.6 x 6.4 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	18,000,000	\$	22,000,000	Sabine Wilson	DIA no. 70.161	Paul Cézanne	Mont Sainte-Victoire	c. 1904/1906	Oil on canvas	21 7/8 x 18 1/8 in.; 55.6 x 46.0 cm; Framed: 28 1/2 x 24 3/4 x 2 3/4 in.; 72.4 x 62.9 x 7.0 cm	Summary not provided
Paintings	European Modern Art to 1950	\$	22,000,000	\$	26,000,000	Sabine Wilson	DIA no. 70.175	Henri Matisse	Poppies	c. 1919	Oil on canvas	39 5/8 x 32 in. (100.6 x 81.3 cm); Framed: 47 5/8 x 40 1/4 x 3 5/8 in. (121.0 x 102.2 x 9.2 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	1,500,000	\$	2,500,000	Sabine Wilson	DIA no. 70.185	Amedeo Modigliani	Young Man with a Cap	20th Century	Oil on canvas	Canvas: 24 x 14 7/8 in. (61.0 x 37.8 cm); Framed: 30 15/16 x 21 15/16 x 2 3/8 in. (78.6 x 55.7 x 6.1 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	4,000,000	\$	8,000,000	Sabine Wilson	DIA no. 70.186	Amedeo Modigliani	A Man	1916	Oil on canvas	Framed: 28 3/8 x 24 13/16 x 3 3/4 in. (72.1 x 63 x 9.5 cm); Canvas: 18 1/8 x 15	Summary not provided

Paintings	European Modern Art to 1950	\$	60,000,000	\$	80,000,000	Sabine Wilson	DIA no. 70.190	Pablo	Picasso	Melancholy Woman; Alternate Title: La melancolie	1902	Oil on canvas	Canvas: 39 3/8 x 27 1/4 in. (100.0 x 69.2 cm); Framed: 46 5/8 x 34 3/4 x 1 3/4 in. (118.4 x 88.3 x 4.4 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	20,000,000	\$	30,000,000	Sabine Wilson	DIA no. 70.191	Pablo	Picasso	Head of a Harlequin; Alternate Title: Tete d'arlequin	1905	Oil on canvas	16 x 13 in. (40.6 x 33.0 cm); Framed: 26 7/8 x 23 3/4 x 2 in. (68.3 x 60.3 x 5.1 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	3,000,000	\$	5,000,000	Sabine Wilson	DIA no. 70.192	Pablo	Picasso	Bottle of Anis del Mono; Alternate Title: Bouteille d'anis del Mono et carte a jouer sur un gueridon	1915	Oil on canvas	Canvas: 18 1/8 x 21 1/2 in. (46.0 x 54.6 cm); Framed: 24 1/4 x 27 5/8 x 3 1/8 in. (61.6 x 70.2 x 7.9 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	40,000,000	\$	60,000,000	Sabine Wilson	DIA no. 70.193	Pablo	Picasso	Woman Seated in an Armchair; Alternate Title: Femme assise dans un fauteuil	1923	Oil on canvas	Canvas: 51 1/4 x 38 1/4 in. (130.2 x 97.2 cm); Framed: 60 x 46 3/4 x 4 in. (152.4 x 118. 7 x 10.2 cm)	Summary not provided
Sculpture	European Modern Art to 1950	\$	1,000,000	\$	1,200,000	Sabine Wilson	DIA no. 70.229	Constantin	Brancusi	Sleeping Child	c. 1906-1908	Bronze	5 3/4 x 4 1/4 x 5 1/2 in.; 14.6 x 10.8 x 14.0 cm	Summary not provided
Paintings	European Modern Art to 1950	\$	800,000	\$	1,000,000	Sabine Wilson	DIA no. 74.122	Yves	Tanguy	Shadow Country; Alternate Title: Terre d'ombre	1927	Oil on canvas	Canvas: 39 x 31 5/8 in. (99.1 x 80.3 cm); Framed: 42 1/2 x 35 1/8 x 2 3/8 in. (108.0 x 89.2 x 6.0 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	500,000	\$	700,000	Sabine Wilson	DIA no. 74.123	Chaim	Soutine	Red Gladioli; Alternate Title: Les Glaieuls rouges	c. 1919	Oil on canvas	21 1/2 x 18 in. (54.6 x 45.7 cm); Framed: 29 5/8 x 25 5/8 x 3 5/8 in. (75.3 x 65.1 x 9.2 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	600,000	\$	800,000	Sabine Wilson	DIA no. 75.59	Felix	Vallotton	Standing Nude Holding Gown on Her Knee	1904	Oil on canvas	51 1/4 x 38 1/4 in. (130.2 x 97.2 cm); Framed: 52 3/4 x 39 7/8 x 1 5/8 in. (134.0 x 101.3 x 4.1 cm)	Summary not provided
Paintings	European Modern Art to 1950	\$	400,000	\$	600,000	Sabine Wilson	DIA no. 76.159	Lovis	Corinth	Still Life with Lilacs; Alternate Title: Fliederstrauss	1917	Oil on canvas	canvas: 21 3/4 x 17 3/4 in. (55.2 x 45.1 cm); Framed: 22 7/8 x 18 15/16 x 1 1/4 in.	Summary not provided
Paintings	European Modern Art to 1950	\$	200,000	\$	400,000	Betty Krulik	DIA no. 77.5	Diego M.	Rivera	Edsel B. Ford	1932	Oil on canvas, mounted on masonite	Unframed: 38 1/2 x 49 1/4 in. (97.8 x 125.1 cm)	most male portraits (except the self portriat that sold for \$1M, do not sell well, they is more like the similar sized Barbara portrait which sold in 2011 for \$242K. But due to the importance of the sitter a wider estimate on the upside is anoprporate
Paintings	European Painting	\$	8,000,000	\$	12,000,000	Sabine Wilson	DIA no. 1985.24	Pierre Auguste	Renoir	Woman in an Armchair; Alternate Title: Femme Assise dans un Fauteuil; Alternate Title: Lise	1874	Oil on canvas	24 x 19 7/8 in.; 61.0 x 50.5 cm; Framed: 35 x 29 1/2 x 3 7/8 in.; 88.9 x 74.9 x 9.8 cm	Summary not provided

Paintings	European Painting	\$	300,000	\$	500,000	Sabine Wilson	DIA no. 1985.25	Pierre Auguste Renoir	Clearing in the Woods; Alternate Title: La Foret de Fontainebleau	1865	Oil on canvas	Framed: 29 5/8 x 40 1/8 x 3 9/16 in. (75.3 x 101.9 x 9.1 cm); Canvas: 22 1/2 x 32 1/2 in. (57.2 x 82.6 cm)	Summary not provided
Paintings	European Painting	\$	600,000	\$	800,000	Sabine Wilson	DIA no. 1988.9	Jean-Frederic Bazille	Still Life with Fish; Alternate Title: Poissons	1866	Oil on canvas	25 x 32 1/4 in. (63.5 x 81.9 cm); Framed: 32 x 39 3/4 x 3 1/2	Summary not provided
Paintings	European Painting	\$	5,000,000	\$	7,000,000	Sabine Wilson	DIA no. 1994.57	Pierre Auguste Renoir	The Spanish Guitarist; Alternate Title: Le Guitariste espagnol	1894	Oil on canvas	25 3/4 x 21 1/2 in. (65.4 x 54.6 cm); Framed dimensions: 32 3/4 x 28 3/8 x 3 1/4 in.	Summary not provided
Paintings	European Painting	\$	300,000	\$	500,000	Sabine Wilson	DIA no. 1992.8	Henri Gervex	Cafe Scene in Paris	1877	Oil on canvas	39 5/8 x 53 1/2 in. (100.5 x 136 cm.); Framed: 48 x 64 3/4 x 4 1/8 in. (121.9 x 164.5 x 10.5)	Summary not provided
Paintings	European Painting	\$	80,000,000	\$	120,000,000	Sabine Wilson	DIA no. 1996.25	Vincent Willem van Gogh	Portrait of Postman Roulin	1888	Oil on canvas	Canvas: 25 1/4 x 18 7/8 in. (64.1 x 47.9 cm); Framed: 34 3/4 x 28 3/4 x 3 1/4 in. (88.3 x 73.0 x 8.3 cm)	Summary not provided
Paintings	European Painting	\$	5,000,000	\$	7,000,000	Sabine Wilson	DIA no. 1998.65	Edgar Degas	Jockeys on Horseback before Distant Hills; Alternate Title: Riders Before Hillv Countrv	1884	Oil on canvas	Unframed: 17 11/16 x 21 5/8 in. (44.9 x 54.9 cm); Framed: 25 1/2 x 30 x 3 in. (64.8 x 76.2 x 7.6 cm)	Summary not provided
Paintings	European Painting	\$	800,000	\$	1,200,000	Sabine Wilson	DIA no. 21.8	Edgar Degas	Portrait of a Woman; Alternate Title: Portrait de Mademoiselle Malot(?)	1877	Oil on canvas	Framed: 34 x 30 1/4 x 2 7/8 in. (86.36 x 76.84 x 7.30 cm); 25 1/2 x 21 in. (64.77 x 53.34 cm)	
Paintings	European Painting	\$	600,000	\$	800,000	Sabine Wilson	DIA no. 44.90	Paul Klee	Reclining; Alternate Title: Liegen; Lying Down	c. 1937	Oil on burlap	Framed: 18 7/8 x 29 7/8 x 1 1/2 in. (48.2 x 76.1 x 3.8 cm); Canvas: 13 1/2 x 24 in. (34.3 x 61.0 cm)	Summary not provided
Paintings	European Painting	\$	800,000	\$	1,200,000	Sabine Wilson	DIA no. 48.279	Edgar Degas	Morning Ride	c. 1866	Oil on canvas	33 1/2 x 25 1/2 in.; 85.1 x 64.8 cm; with frame: 40 7/8 x 34 3/4 x 3 3/4 in.; 18 1/8 x 15 in.; 46.2 x 38.1 cm; Framed: 25 x 21 3/4 x 1-7/16 in. (depth without the more recently added extension on the verso); sight: 17-1/2 x 14 1/4 in.; 79.7 x 70.5 x 7.6 cm	Summary not provided
Paintings	European Painting	\$	7,000,000	\$	10,000,000	Sabine Wilson	DIA no. 69.306	Paul Gauguin	Self Portrait	c. 1893	Oil on canvas		

Paintings	European Painting	\$	40,000,000	\$	50,000,000	Sabine Wilson	DIA no. 70.159	Vincent Willem	van Gogh	Bank of the Oise at Auvers	1890	Oil on canvas	Framed: 37 x 44 1/4 x 3 1/2 in. (94 x112.4 x8.9 cm.); Unframed: 28 7/8 x 36 7/8 in. (73.3 x 93.7 cm.)	Summary not provided
Paintings	European Painting	\$	30,000,000	\$	40,000,000	Sabine Wilson	DIA no. 70.160	Paul	Cézanne	Madame Cezanne	c. 1886	Oil on canvas	39 5/8 x 32 in.; 100.6 x 81.3 cm; Framed: 49 3/8 x 41 1/2 x 4 5/8 in.; 126.4 x 105.7 cm; Framed: 22 5/8 x 24 1/4 x 3 11/16 in. (57.5 x 61.6 x 9.4 cm)	Summary not provided
Paintings	European Painting	\$	15,000,000	\$	20,000,000	Sabine Wilson	DIA no. 70.162	Paul	Cézanne	Bathers	c. 1880	Oil on canvas	Unframed: 13 5/8 x 15 in. (34.6 x 38.1 cm); Framed: 22 5/8 x 24 1/4 x 3 11/16 in. (57.5 x 61.6 x 9.4 cm)	Summary not provided
Paintings	European Painting	\$	12,000,000	\$	15,000,000	Sabine Wilson	DIA no. 70.163	Paul	Cézanne	The Three Skulls	c. 1900	Oil on canvas	Unframed: 13 3/4 _ 24 in. (34.9 _ 61 cm); Framed: 19 3/4 in. _ 29 7/8 in. _ 3 in. (50.2 _ 75.9 _ 7.6 cm)	Summary not provided
Paintings	European Painting	\$	1,500,000	\$	2,000,000	Sabine Wilson	DIA no. 70.167	Edgar	Degas	Violinist and Young Woman; Alternate Title: Violiniste et jeune femme tenant un cahier de musique	c. 1871	Oil and crayon on canvas	18 1/4 x 22 in.; 46.4 x 55.9 cm; Framed: 26 1/4 x 30 3/8 x 3 1/2 in.; 66.7 x 77.2 x 8.9 cm	Summary not provided
Paintings	European Painting	\$	600,000	\$	1,000,000	Sabine Wilson	DIA no. 70.168	Edgar	Degas	Woman with a Bandage; Alternate Title: La femme au bandeau	1872/1873	Oil on canvas	Framed: 21 3/4 x 18 1/2 x 2 5/8 in. (55.25 x 46.99 x 6.67 cm); 13 x 9 3/4 in.; 33.0 x 24.8 cm	Summary not provided
Paintings	European Painting	\$	800,000	\$	1,000,000	Sabine Wilson	DIA no. 70.173	Edouard	Manet	On the Beach; Alternate Title: Sur la plage	c. 1868	Oil on canvas	40.0 x 48.3 cm; with frame: 23 3/8 x 26 1/2 x 2 1/8 in.; 59.4 x 67.3 x 5.4 cm	Summary not provided
Paintings	European Painting	\$	6,000,000	\$	12,000,000	Sabine Wilson	DIA no. 70.174	Henri	Matisse	Coffee; Alternate Title: Le cafe	1916	Oil on canvas	Canvas: 39 5/8 x 25 3/4 in. (100.6 x 65.4 cm); Framed: 50 3/8 x 36 5/8 x 3 3/4 in. (128.0 x 93.0 x 9.5 cm)	Summary not provided
Paintings	European Painting	\$	10,000,000	\$	12,000,000	Sabine Wilson	DIA no. 70.177	Pierre Auguste	Renoir	Seated Bather; Alternate Title: Baigneuse assise	1903/1906	Oil on canvas	45 3/4 x 35 in.; 116.2 x 88.9 cm; Framed: 57 3/8 x 46 7/8 x 4 3/8 in. (145.7 x 119.7 x 11.3 cm)	Summary not provided
Paintings	European Painting	\$	7,000,000	\$	10,000,000	Sabine Wilson	DIA no. 70.178	Pierre Auguste	Renoir	The White Pierrot; Alternate Title: Pierrot blanc	1901/1902	Oil on canvas	31 1/8 x 24 3/8 (79.1 x 61.9); Frame: 40 1/2 x 33 1/4 x 3 1/2 in. (105.4 x 87.9 x 12.1 cm)	Summary not provided
Paintings	European Painting	\$	20,000,000	\$	40,000,000	Sabine Wilson	DIA no. 70.183	Georges Pierre	Seurat	View of Le Crotoy from Upstream; creator: Vue de Crotoy, amont	1889	oil on canvas	Unframed: 27 3/4 _ 34 1/8 in. (70.5 _ 86.7 cm); Framed: 38 7/8 _ 45 1/8 _ 1 5/8 in. (98.7 _ 114.6 _ 4.1 cm)	Summary not provided

Paintings	European Painting	\$	600,000	\$	800,000	Sabine Wilson	DIA no. 75.31	Camille	Pissarro	The Kitchen at Piette's, Montfoucault; Alternate Title: La cuisine chez Piette, Montfoucault	1874 Oil on canvas	18 1/4 x 22 in. (46.4 x 55.9 cm); Frame: 26 1/8 x 29 3/8 x 2 1/4 (66.4 x 74.6 x 5.7)	Summary not provided
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Sculpture	European Sculpture and Dec Arts	\$	1,500,000	\$	3,000,000	Sabine Wilson	DIA no. 53.145	Auguste	Rodin	Eve	1881 bronze	Overall: 68 1/2 _ 21 _ 24 inches (174 _ 53.3 _ 61 cm)	Summary not provided
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Artvest Total	\$	625,280,000	\$	885,940,000
European Impressionist & Modern Paintings				

Paintings	European Painting	\$	200,000	\$	300,000	KGFA	DIA no. 1998.1	Richard	Wilson	Caernarvon Castle	1744/1745	Oil on canvas	32 1/2 x 45 (82.6 x 114.3); Frame: 40 x 52 3/4 x 2 5/8 in. (101.6 x 134.0 x 6.7 cm)	Comp: Christies London 7/7/10 lot 165 \$83,000 Early in career, pre Italy, which work is the prime version? This or the Yale picture. Wilson's notoreity increased after his trip to Italy and Grand Tour. He returned with a lushier, denser palate and more dramatic sense of color.
Paintings	European Painting	\$	600,000	\$	800,000	KGFA	DIA no. 23.31	Lucas	Cranach the Elder	Madonna and Child with Infant Saint John the Baptist and Angels	1536	Oil on wood panel	46 x 31 5/8 in.; 116.8 x 80.3 cm	Comp: Virgin and Child, Sotheby's London: Wednesday, July 7, 2010 [Lot 00006] \$730,000, Madonna and Child, Dorotheum: Thursday, March 30, 2000 [Lot 00462] \$216,000. Large ungracious composition. Cranach can sell for millions of dollars but those works are tightly painted, smaller and usually of provocative subject matter (i.e.naked women) This is a large crowded religious sujet.

Paintings	European Painting	\$	2,000,000	\$	4,000,000	KGFA	DIA no. 25.207	Giovanni Domenico	Tiepolo	The Women of Darius Invoking the Clemency of Alexander	1750/1753	Oil on canvas	118.2 x 98.5 cm; Framed: 58 3/4 x 50 1/4 x 5 1/4 in.; 149.2 x 127.6 x 13.3 cm	Comp: Angelica and Medoro, Christie's London: July 7, 2009 [Lot 00063], \$1.0 mill, Stoning of St. Stephen Christie's London: December 7, 2006 [Lot 00068], \$900,000, 6 Panel Decorative Cycle Sotheby's London: July 3, 2013 [Lot 00042], \$4.5 mill. This is a beautifully conserved, example of GD Tiepolos work from the period when he collaborated with his father at Wurzburg. The subject matter is entirely more appealing than works that have come on the market and in far better condition than the work that sold for \$1.0 in 2009. Lively brush stroke, Tiepolo's perfect example of beautiful women and color.
Paintings	European Painting	\$	2,000,000	\$	3,000,000	KGFA	DIA no. 25.35	Carlo	Crivelli	The Deposition of Christ; Alternate Title: Lamentation; Alternate Title: Imago Pietatis	c. 1470	Tempera and gold on wood panel	Lunette panel (semi-circular): 16 1/2 x 45 in. (41.9 x 114.3 cm); Framed: 25 7/8 x 54 5/8 x 3 9/16 in. (65.72 x 138.74 x 9.05 cm)	Lunette of the Polittico di San Giorgio, Ascoli Piceno, Zeri # 20019, no comps on open market, good condition, fond'oro in good condition. Wonderful incised lines, incredible details in the hair and tears streaming down the face. Crivelli is a rare and strang artist. Although his best works are more convoluted and colored, the DIA work has gravitas and is quite moving.
Paintings	European Painting	\$	300,000	\$	500,000	KGFA	DIA no. 26.22	Jan Baptist	Weenix	Still Life with a Dead Swan	c. 1651	Oil on canvas	Framed: 72 5/8 x 73 3/4 x 4 15/16 in. (184.5 x 187.3 x 12.5 cm); Canvas: 60 x 60 1/2 in. (152.4 x 153.7 cm)	Comp: Christies London 12/3/13 lot 17 est. 400,000 - 550,000 Bl, similar provenance. Highest ever at auction is \$370,000 The subject matter, dead birds, is difficult to sell. The value of such works is considerably lower than other sebjects (genre pictures, portraits etc) Although BEAUTIFULLY painted, this is quite out of fashion today.
Paintings	European Painting	\$	7,000,000	\$	9,000,000	KGFA	DIA no. 26.3	Jacob Isaaksz	van Ruisdael	The Jewish Cemetery; Alternate Title: The Cemetery	1654 or 1655	oil on canvas	Unframed: 56 _ 74 1/2 inches (142.2 _ 189.2 cm); Framed: 67 3/4 _ 85 1/8 _ 5 1/2 inches (172.1 _ 216.2 _ 14 cm)	Most expensive Rusidael at auction is \$4.7 million. This exceeds this work in beauty, size and importance. It's an arresting dramatic image prefiguring the Romantic landscapes of the 19th century. One of the best Ruisdael's I've ever seen.
Paintings	European Painting	\$	6,000,000	\$	9,000,000	KGFA	DIA no. 26.385	Peter Paul	Rubens	Philippe Rubens, the Artist's Brother.; Alternate Title: Philip Rubens	1610/1611	Oil on oak panel	Panel: 27 x 21 1/8 in. (68.5 x 53.5 cm); Framed: 36 9/16 x 30 11/16 x 3 1/8 in. (92.9 x 78.0 x 7.9 cm)	Comp: 6/4/09 Sotheybs NY, lot 19, Bearded Man \$845,000, 1/28/2000 Sotheby's NY lot 51m Man as Mars, \$8 mill, 12/6/07 Sotheby's lot #7 Studies of Men on panel \$7.7 mill, 12/4/13 Sothebys London, lot 6, Portrait of a Man on canvas, \$5.2 mill. Sensitive portrayal of family member with both porcelain and sketch like qualities. Good condition, not a studio work - full attribution to the artist.

Paintings	European Painting	\$	3,000,000	\$	5,000,000	KGFA	DIA no. 26.387	Master of the St. Lucy Legend	Virgin of the Rose Garden; Alternate Title: Mystic Marriage of St. Catherine	1475/1480	Oil on oak panel	31 1/8 x 23 5/8 in. (79.1 x 60.0 cm); Framed: 38 1/8 x 31 5/8 x 3 1/2 in. (97 x 80.3 x 8.9 cm)	Dynamite early Flemish work. Arresting image, some issues with overcleaning in the glazes in the flesh tones, craquelure throughout 7/12/01 Sotheby's London lot 12, \$1mill, comparative artists such as Van der Goes = nothing, Memling 1/31/13, Sotheby's New York, lot 10, \$4.1 Head of Christ (dirty and in excellent condition) This works is more beautiful (beautiuffl women, gardens, flowers, hortus conclusus, elaborate costurmes. Van Eyck at Christies - \$4 - 8 mill
Paintings	European Painting	\$	500,000	\$	700,000	KGFA	DIA no. 26.43	Willem Kalf	Still Life with Columbine Goblet	c. 1660	Oil on canvas	22 7/8 x 19 1/2 in. (57.7 x 49.2 cm); Frame: 32 3/4 x 29 5/8 x 3 1/8 in. (83.2 x 75.2 x 7.9 cm)	Comp: 1/10/91 Sothebys New York lot 73, \$700,000 - 900,000 BI, 1/28/10, Sotheby's New York, lot 192, BI (bad condition), 12/4/2000, Sotheby's London, lot 31, \$525,000 Quite a rare artist. Good picture but not best example by the artist. In good condition.
Paintings	European Painting	\$	1,000,000	\$	2,000,000	KGFA	DIA no. 26.94	Correggio	The Mystic Marriage of Saint Catherine	1510/1514	Paint on wood panel	Framed: 66 x 61 1/8 x 3 3/4 in. (167.64 x 155.26 x 9.53 cm); 53 5/8 x 48 1/2 in. (136.2 x 123.2 cm)	Con: Not in good condition, very skinned with grounds showing through. Awkward expressions which could be due to the fact that this is a very early work by the artist. Pro: DIA could be the earliest surviving altarpiece. Correggio is such a rare and important artist - no direct comps exists. There was a Dosso Dossi that sold for \$1,800,000 last summer at Sotheby's. Dossi is an artist from geographically similar area and time period however he is not as important.
Paintings	European Painting	\$	1,000,000	\$	1,500,000	KGFA	DIA no. 27.3	Sandro Botticelli	The Resurrected Christ	c. 1480	Paint on wood panel (transferred)	Unframed: 18 x 11 3/4 in. (45.7 x 29.8 cm); Framed: 30 1/8 x 22 7/8 x 4 1/4 in. (76.5 x 58.1 x 10.8 cm)	Comp: St. John the Baptist 7/5/11 Christie's London, lot 4 \$542,000. Good example of artist + workshop. This is definitely a master and studio work. Subject is not what one looks for in Botticelli, however, he is a first tier artist.
Paintings	European Painting	\$	200,000	\$	300,000	KGFA	DIA no. 27.385	Titian	Man Holding a Flute	c. 1560-1565	Oil on canvas	38 1/2 x 30 in.; 97.8 x 76.2 cm; Framed: 48 1/8 x 39 1/2 x 3 1/8 in.; 122.2 x 100.3 x 7.8 cm	Comp: Portrait of Filiberto, Dorotheum: Thursday, March 22, 2001 [Lot 00074], \$140,000, Portrait of Titian, Bonhams London: Wednesday, December 4, 2013 [Lot 00008], \$131,000 Poor condition, rubbed, sunken
Paintings	European Painting	\$	4,000,000	\$	7,000,000	KGFA	DIA no. 29.264	Diego Rodríguez de Silva Velazquez	A Man; Alternate Title: Don Juan de Fonseca?	1623/1630	Oil on canvas	20 1/4 x 15 3/4 in.; 51.4 x 40.0 cm; with frame: 33 x 28 1/4 x 2 7/8 in.; 83.8 x 71.8 x 7.3 cm	Strange example of his work. Comp on retail market. Velasquez bought at Bonham's London in 2010 for \$4.9 mill by dealer Otto Nauman. Discovered by Peter Cherry. Asking 14 million at TEFAF. \$12 mill is highest auction price ever paid for St. Rufina. Condition is thin around the head and in the background. Strange drape in front in primo piano. In addition, the sitter is an older gentleman with perhaps a wandering eye.
Paintings	European Painting	\$	20,000,000	\$	25,000,000	KGFA	DIA no. 30.295	Parmigianino	The Circumcision	c. 1523	Oil on panel	16 1/2 x 12 3/8 in.; 41.9 x 31.4 cm; Framed dimensions: 22 7/8 in. x 19 1/4 in. x 2 in.	Magical rare night scene by one of the Renaissance's most important artists. In beautiful conditon. Unique subject, very early work, Royal provenance. Can use the Madonna and Pinks by Rahpael as the basis. No possibility of others

Paintings	European Painting	\$	200,000	\$	300,000	KGFA	DIA no. 30.370	Rembrandt Harmensz van Rijn	Christ	c. 1648/1650	Oil on oak panel	Unframed: 11 _ 9 1/8 in. (27.9 _ 23.2 cm); Framed: 23 in. _ 21 1/16 in. _ 2 3/4 in. (58.4 _ 53.5 _ 7 cm)	Comp: Portrait of a Man, Christie's London: Thursday, December 6, 2007 [Lot 00005], \$200,000, Risen Christ, Christie's London: Friday, April 27, 2007 [Lot 00047], \$500,000 Rembrandt had an extensive studio production with many of his assistants going on to successful careers on their own. This work, however, is good but not individual enough to recognize either the masters hand or the hand of another artist	
Paintings	European Painting	\$	3,000,000	\$	5,000,000	KGFA	DIA no. 34.188	Frans Jansz	Post	View of the Jesuit Church at Olinda, Brazil	1665	Oil on canvas	22 1/8 x 32 7/8 in. (56.2 x 83.5 cm); Framed: 28 1/4 x 39 1/8 x 2 1/2	Large format, late work many years after he returned from Brazil so therefore a pastiche/invented narrative. A bit formulaic but in beautiful condition and clear pristine light and detail. A small Brazil period is for sale for 2 mill Euro, 6/14/09, Sotheby's New York, lot 44 \$1.7
Paintings	European Painting	\$	80,000	\$	100,000	KGFA	DIA no. 34.191	Bacchiacca (Francesco Ubertini Verdi)	Saint John the Baptist in the Wilderness	16th Century	Oil on canvas, transferred from panel	41 x 30 in.; 104.1 x 76.2 cm	Transfer from panel to canvas. Not effective. Leaves the primary figure flat and lifeless. There are no comps for transfers but average price for his works are \$80 - 100,000	
Paintings	European Painting	\$	6,000,000	\$	8,000,000	KGFA	DIA no. 35.10	Titian	Judith with the Head of Holofernes	c. 1570	oil on canvas	Framed: 55 _ 47 1/4 _ 2 3/4 inches (139.7 _ 120 _ 7 cm); Unframed: 44 1/2 _ 37 1/2 inches (113 _ 95.3 cm)	Comp: Sotheby's New York 1/24/08, lot 117, \$4.5 In good condition, impasto, lively brushwork...vivace. Late work by the master.	
Paintings	European Painting	\$	600,000	\$	800,000	KGFA	DIA no. 36.10	Il Pensionante del Saraceni	Italian	The Fruit Vendor; Title: Man Selling Melons	c. 1615/1620	Oil on canvas	130.2 x 97.8 cm; Framed: 57 1/4 x 44 1/8 x 2 5/8 in.; 145.4 x 111.9 x 6.7 cm	Comp: Piasa 12/2/2000 lot 11 \$321,000 Not a widely quoted or sold artist. Rare on market and rare subject. In good condition. Attribution issues exist as there is not a general consensus about the artist.
Paintings	European Painting	\$	25,000,000	\$	35,000,000	KGFA	DIA no. 36.11	Nicolas	Poussin	Selene and Endymion; Alternate Title: Diana and Endymion	c. 1630	oil on canvas	Unframed: 48 _ 66 1/2 inches (121.9 _ 168.9 cm); Framed: 59 _ 77 1/4 _ 3 1/2 inches (149.9 _ 196.2 _ 8.9 cm)	Incredible provenance, masterpiece in good condition. Nothing like it available on the market. Sacrament of the Ordination was sold to the Kimbell for \$24 million after Bling at Christie's at \$23 - 31 million. The DIA work is in better condition and a more desirable subject matter.
Paintings	European Painting	\$	200,000	\$	300,000	KGFA	DIA no. 36.30	Paolo	Veronese	The Muse of Painting	16th Century	Oil on canvas	11 x 7 1/4 in. (27.9 x 18.4 cm); Framed: 15 1/4 x 11 3/8 x 1 in. (38.74 x 28.89 x 2.54 cm)	Comp: Cupid holding the Reigns, Christie's London: Wednesday, July 11, 2001 [Lot 00091], \$175,000. There are no real comparable for this kind of work. It was conceptualized as a Spalliera and there are two other examples in museums in St. Petersburg and Moscow. This is a delicious little painting by the Venetian master but it was most likely conceived as a decorative panel.
Paintings	European Painting	\$	500,000	\$	700,000	KGFA	DIA no. 37.1	Emanuel	de Witte	Interior of the Oude Kerk in Amsterdam	1686	Oil on canvas	47 x 39 5/8 (119.4 x 100.6); Frame: 56 1/8 x 48 3/4 x 4 1/2 in. (142.6 x 123.8 x 11.4 cm)	Comp: 12/8/10 Sotheby's London, lot 21 \$532,000, Christie's London 7/3/02 lot 15 \$1,020,000 Late large format - not intimate view, missing the clear light that you want in a church interior.

Paintings	European Painting	\$	200,000	\$	300,000	KGFA	DIA no. 37.73	Job Adriaensz	Berckheyde	Interior of the Grote Kerk, Haarlem	1676	Oil on canvas	Canvas: 40 1/2 x 34 3/8 in. (102.87 x 87.3 cm); Framed: 53 5/8 x 46 5/8 x 3 in. (136.2 x 118.4 x 7.6 cm)	Comp: Church Interior, Christie's London 4/25/01 lot 20 \$155,000 on canvas and is large. In good but not great condition. The paint layer is thin enough to notice compositional changes in the foreground where figures were removed (pentimenti) - Nicer, larger and more visual interest than the comp. In addition, it is 15 years later and a stronger market.
Paintings	European Painting	\$	800,000	\$	1,200,000	KGFA	DIA no. 38.56	Giovanni Battista	Piazzetta	Madonna and Child with an Adoring Figure; title: Fragment of the Sagredo Altarpiece	1715/1718	Oil on canvas	187.9 x 146.1 cm; Framed: 88 1/2 x 72 3/4 x 4 1/4 in. (224.8 x 184.8 x 10.8 cm)	Comp: David and Goliath Sotheby's London: December 8, 2010 [Lot 00034], \$645,000. Full scale altar pieces have not come on the market. However, this work is in mediocre condition and has lost much of its volume. The colors have oxidized and sunken creating less volume.
Paintings	European Painting	\$	6,000,000	\$	8,000,000	KGFA	DIA no. 40.166	Bernardo	Bellotto	View of the Tiber in Rome with the Castel Sant'Angelo	1743 or 1744	oil on canvas	Framed: 45 1/2_ 69 3/4 _ 4 inches (115.6 _ 177.2 _ 10.2 cm); Unframed: 34 3/8 _ 58 3/8 inches (87.3 _ 148.3 cm)	Comp: 2 Views of Rome Christie's London: Thursday, December 7, 2006 [Lot 00072], \$12.7, Verona, Christie's London: Friday, July 7, 2000 [Lot 00084], \$2.0 mill, Grand Canal, Christie's New York: Thursday, April 19, 2007 [Lot 00113] \$11. mill Important picture from Roman period, in good condition, however the sky is rubbed.
Paintings	European Painting	\$	3,000,000	\$	5,000,000	KGFA	DIA no. 40.50	Michel	Sittow	Catherine of Aragon as the Magdalene	15th/16th Century	Oil on oak panel	12 5/8 x 9 7/8 in.; 32.1 x 25.1 cm; Framed: 18 1/2 x 16 x 2 1/2 in. (47 x 40.6 x 6.5 cm)	Comp: Christie's NY 1/26/11 lot 118, \$866,000 Catherine of Aragon as the Magdalene - very interesting presumptive sitter. Is this Catherine of Aragon before she marries Henry VIII? Seems possible as it is very close to the portrait of her in Vienna. This comparable is of an ugly old man therefore a lovely portrait of a famous historical figure as the Madonna has much more value. This delicate and finely painted work is also in lovely
Paintings	European Painting	\$	1,200,000	\$	1,800,000	KGFA	DIA no. 41.10	Claude	Gellée	Sunrise		1631 Oil on canvas	30 5/8 x 46 1/8 in. (77.8 x 117.2 cm); Frame: 38 1/4 x 53 5/8 x 3 1/8 in.	Comp: Sotheby's NY 1/26/06, lot 51, 2 - 3 mill BI, Christies London 12/7/10, lot 51, \$3,200,000 In moderate condition. This was in the conservation studio on my visit and I saw it in its stripped state. With Claude works, one looks for the layer upon layer of transparent glazes that create the paint layer and give the work its inner glow. Because this has been stripped, it results in a decrease in value.
Paintings	European Painting	\$	4,000,000	\$	6,000,000	KGFA	DIA no. 41.126		Master of the Tiburtine Sibyl	Crucifixion	c. 1485	Oil on oak panel	Framed: 64 3/4 x 48 3/4 x 2 3/4 in. (164.5 x 123.8 x 7 cm); 56 1/2 x 40 3/8 in. (143.7 x 102.6 cm)	Comp: Virgin and Child in Landscape, Sotheby's New York: Thursday, May 29, 2003 [Lot 00128], \$433,000. There are only two works that have come up for public sale. The work quoted above is a delicate, small Virgin and Child. The DIA work more detailed, in beautiful condition, much larger in scale, and more complex in landscape and perspective. The size of this work indicates that it was not for private devotional use but was more
Paintings	European Painting	\$	8,000,000	\$	10,000,000	KGFA	DIA no. 41.80	Francisco	Goya	Dona Amalia Bonells de Costa	c. 1805	Oil on canvas	34 3/8 x 25 3/4 in.; 87.3 x 65.4 cm; Framed: 43 x 34 x 2 7/8 in.; 109.2 x 86.4 x 7.3 cm	Comp: Portrait of Don Juan López de Robredo, Christie's London: Tuesday, December 6, 2011 [Lot 00027] est. 6 - 9.0 mill BI, Portrait of Mariano Goya, Sotheby's New York: Thursday, January 31, 2013 [Lot 00103] est. \$6 - 8 BI. The DIA work is more fluidly handled and in better condition than either of these works. Good provenance and universally accepted.
Paintings	European Painting	\$	500,000	\$	700,000	KGFA	DIA no. 42.127	Claude	Gellée	A Seaport at Sunset		1643 Oil on copper panel	16 x 21 (40.6 x 53.3); Frame: 22 3/8 x 27 x 2 in. (56.8 x 68.6 x 5.1 cm)	Comp: La tempete, Christie's London: Tuesday, December 4, 2012 [Lot 00048], \$244,000, Landscape Sotheby's London: Wednesday, July 7, 2010 [Lot 00036], 600 - 900,000 BI Nicer little picture but clumsily painted and the colors are a bit muddy - not as crisp as you would want to see. Great provenance.

Paintings	European Painting	\$	15,000,000	\$	20,000,000	KGFA	DIA no. 42.57	Agnolo	Bronzino	Eleonora of Toledo and Her Son	between 1545 and 1550	oil on panel	Framed: 66 1/2 _ 57 1/2 _ 51 1/2 inches (167.6 _ 146.1 _ 14 cm); Unframed: 47 7/8 _ 39 3/8 inches (121.6 _ 100 cm)	Florentine High Renaissance Masterpiece. The Kimbell paid \$6.5 for a Michelangelo that is a juvenile work and not universally accepted. The Getty bought a Titian for \$70 million. The Frick bought the Potormo portrait in 1989 for \$35 mill (\$65 mill for adjusted price). The DIA Bronzino falls within these parameters of importance. The work is less poetic and original than the Titan and Pontormo therefore the slightly lower value.
Paintings	European Painting	\$	3,000,000	\$	5,000,000	KGFA	DIA no. 43.38		Canaletto	The Piazza San Marco	c. 1739	oil on canvas	Unframed: 29 13/16 _ 46 15/16 inches (75.8 _ 119.3 cm); Framed: 44 5/8 _ 57 3/4 _ 4 inches (113.3 _ 146.7 _ 10.2 cm)	Comp: Venice, View of the Piazzetta Sotheby's London: Wednesday, December 8, 2010 [Lot 00039] \$3.5 mill, Venice View of the Piazzetta, Sotheby's London: Wednesday, July 5, 2006 [Lot 00058] \$2.5 mill. A classic, desirable view of Venice by the best known Venetian vedutista of the 18th century. Canaletto was intensely collected by the English aristocracy purchasing works on their Grand Tours. If this had been a water view, with boats, it would have a higher evaluation.
Paintings	European Painting	\$	300,000	\$	500,000	KGFA	DIA no. 43.418	Jacob	Jordaens	Job	c. 1620	Oil on oak panel	Panel: 26 3/8 x 20 1/2 in. (67.0 x 52.0 cm); Framed: 42 1/8 x 36 3/16 x 3 1/4 in. (107.0 x 92.0 x 8.3 cm)	Comp: Sotheby's New York: January 27, 2011 Lot 120, \$278,000, Christie's London: July 7, 2000 Lot 38, \$321,000, Lempertz: May 17, 2014 Lot 1143, \$150,000 Lively work with interesting story as to the sitter. In good condition.
Paintings	European Painting	\$	3,000,000	\$	5,000,000	KGFA	DIA no. 44.213	Giovanni Battista	Tiepolo	Saint Joseph and the Christ Child	1767/1769	Oil on canvas	Framed: 69 x 52 3/4 x 3 1/4 in. (175.3 x 134 x 8.3 cm); 60 1/2 x 43 3/4 in. (154 x 111.3 cm)	Comp: Highest price for a Tiepolo at auction Arrival of Henry III at Villa Contarini Christie's New York: January 25, 2012 [Lot 00038] \$5.9 mill., Portrait of a Lady Christie's London: December 2, 2008 [Lot 00040] \$4.2 mill. The subject matter, because it is religious is less deribable, however, the commission is important and it is unique that an altarpiece of such importance appears on the market. Royal Provenance, one of 7 altarpieces for San Pasqual Baylon. Fragment. Good condition.
Paintings	European Painting	\$	5,000,000	\$	7,000,000	KGFA	DIA no. 44.266	Peter Paul	Rubens	Hygeia, Goddess of Health; Alternate Title: Hygieia	c. 1615	Oil on oak panel	Framed: 55 3/8 x 43 3/4 x 43/8 in. (140.6 x 111.1 x 11.1 cm); Panel: 41 3/4 x 29 1/4 in. (106.2 x 74.3 cm)	Comp: Sotheby's New York: January 23, 2003 Lot 32, \$2 - 3 mill BI, Sotheby's London: July 10, 2002 Lot 52, \$6.8 mill, Sotheby's New York: January 24, 2002 Lot 236, \$2.1 mill Background abraded around
Paintings	European Painting	\$	5,000,000	\$	7,000,000	KGFA	DIA no. 45.420	Joos	van der Beke van Cleve	Adoration of the Magi	c. 1525	Oil on oak panels	Center panel: 35 x 25 1/2 in. (88.9 x 64.8 cm); Each wing: 35 x 11 in. (88.9 x 27.9 cm)	Very little on open market - those works that come up repeat over the years. This a rare example of his work as there has never been a tryptch on the market. Virgin and Child Sotheby's New York: January 30, 2014 Lot 11, Portrait of a Man Sotheby's London: July 9, 2008 Lot 5, \$1.4 The DIA work is Cleve's only signed work, was a fundamental touchstone to identifying the hand of the artist and masterpiece of his mature period. Generally accepted as Cleve and Workshop. If it had been a full attribution the valuation would have been almost double.

Paintings	European Painting	\$	300,000	\$	500,000	KGFA	DIA no. 46.359	Rogier van der Weyden	Saint Jerome in the Desert	1450/1465	Oil on oak panel	Framed: 15 7/8 in. x 13 3/8 in. x 2 in. (40.34 x 34 x 4.60 cm); 12 1/8 x 9 15/16 in. (30.8 x 25.2 cm)	Comp: St. Lucas, Koller Auktionen Zürich: Friday, March 30, 2012 [Lot 03009], \$200,000, Workshop pictures can make anywhere from 20,000 - 1,500,000. The DIA picture is in lovely condition and is unique, not a copy after the artist. The Lion is particularly wonderful and it is painted tightly and has the pristine quality that one looks for in early Flemish works.
Paintings	European Painting	\$	4,000,000	\$	6,000,000	KGFA	DIA no. 46.56	Sassetta	The Betrayal of Christ	1437/1444	Tempera on poplar panel	Panel: 14 3/4 x 23 1/4 x 1 1/8 in. (37.47 x 59.06 x 2.86 cm); Frame: 28 x 32 5/8 x 4 in. (71.12 x 82.87 x 10.16 cm)	Comp: St. Augustine, Christie's New York: Thursday, April 6, 2006 [Lot 00031], \$1,200,000. A very rare artist on the market with only 3 known results. The DIA works are multi figural as compared to the single figure of a saint that sold at Christie's. They have been included in numerous essays and are known to be from the San Sepicro altarpiece.
Paintings	European Painting	\$	400,000	\$	600,000	KGFA	DIA no. 47.398	John Zoffany	Scene from Love in a Village	1767	Oil on canvas	40 1/2 x 50 1/2 (102.9 x 128.3); Frame: 48 1/8 x 57 3/4 x 2 5/8 in. (122.2 x 146.7 x 6.7 cm)	Comp: Scene in Tavern, Christie's London: Thursday, June 8, 2006 [Lot 00031], \$1,200,000. Garrick with Burton and Palmer in the Alchymist, Sotheby's London: Thursday, November 29, 2001 [Lot 00011], \$ 1,217,839 Large British genre picture in good condition. Not chic aristocratic subject matter - refers to popular play at time.
Paintings	European Painting	\$	2,000,000	\$	3,000,000	KGFA	DIA no. 47.58	Peter Paul Rubens	Archduke Ferdinand, Cardinal-Infante of Spain, at the Battle of Nordlingen	1635	oil on oak-veneered Masonite panel	Unframed: 48 1/8 _ 36 5/8 inches (122.2 _ 93 cm); Framed: 59 3/4 _ 48 3/16 _ 5 5/8 inches (151.8 _ 122.4 _ 14.3 cm)	Comp: Cavalry Sketch, Christie's South Kensington: April 11, 2013 Lot 141 \$192,000, St. Michael Subduing Lucifer, Christie's London: December 7, 2006 Lot 10 \$3.5 Sketch for work in the Prado, remained in his studio at death, was transferred to masonite panel which is not a good for the work. Has been subjected to various restorations over the years.
Paintings	European Painting	\$	500,000	\$	700,000	KGFA	DIA no. 47.92	Salvator Rosa	The Finding of Moses	c. 1660/1665	Oil on canvas	Framed: 62 x 92 3/8 x 4 1/2 in. (157.5 x 234.6 x 11.4 cm); 48 1/2 x 79 3/4 in. (123 x 202 cm)	Comp: St. in a Landscape, Dorotheum: Tuesday, October 15, 2013 [Lot 00551], \$200,000, Great provenance, in good condition, large format. Rosa's single figure studies or philospher studies make more money at auction. The DIA work however, has a very fancy provenance which increases its value.
Paintings	European Painting	\$	8,000,000	\$	10,000,000	KGFA	DIA no. 48.96	Bartolome Esteban Murillo	The Flight into Egypt	c. 1647/1650	Oil on canvas	82 1/2 x 65 1/2 in. (209.55 x 166.37 cm); Framed: 125 x 87 x 6 in. (317.5 x 220.98 x 15.24 cm); Strip Frame for Travel: 84 1/2 x 67 3/4 x 2 1/2 in. (214.6 x 171.5 x 5.7 cm)	Comp: St. Joseph and the Christ Child Christie's London: Friday, December 14, 1990 [Lot 00031] \$4.7 mill. 8 years later it wold for \$2.7. Enormous volotility of market at the moment - something that has not been on the market for a long time. In present market there are no comparables, a number of institutions who want to buy first class things - Qatar - conveyable that they pay strong prices. The work is in good condition, taking into consideration the oxidation of the blues and the reworking of the sky.
Paintings	European Painting	\$	800,000	\$	1,200,000	KGFA	DIA no. 49.337	Antoine Jean Gros	Murat Defeating the Turkish Army at Aboukir	c. 1805	Oil on canvas, mounted on board	34 3/4 x 54 1/2 in.; 88.3 x 138.4 cm; Framed: 44 3/4 x 64 3/4 x 3 3/8 in.; 113.7 x 164.5 x 8.6 cm	No exact market comps available. A work by Girodet, Head of a Turk, Damien Leclerc: Saturday, December 17, 2011 [Lot 00010], \$970,000. Excellent bozzetto for important final work in Louvre Large scale historical sketch. Important historical reference and nothing similar on market. Artist is the most important student of Jacques Louis David.

Paintings	European Painting	\$	100,000	\$	150,000	KGFA	DIA no. 51.13	Bernardo Strozzi	Street Musicians	c. 1630	Oil on canvas	109.8 x 156.5 cm; Frame: 51 3/4 x 71 x 3 in.	Comp: Christ In Front of the Kalif, Porro & C.: Saturday, November 15, 2003 [Lot 00242] \$120,000 Charity of St Lawrence, Christie's London: Thursday, December 8, 2005 Lot 00048 \$200,000. Do not love this Strozzi. Mushy composition, workshop?? I doubt the full attribution
Paintings	European Painting	\$	20,000,000	\$	25,000,000	KGFA	DIA no. 52.253	Artemisia Gentileschi	Judith and Her Maidservant with the Head of Holofernes	c. 1623/1625	Oil on canvas	72 3/8 x 55 3/4 in. (184 x 141.6 cm); Original frame: 90 1/2 x 73 3/8 x 5 in.; Framed: 85 x 68 1/2 x 3 1/2 in. (215.9 x 174 x 8.9 cm)	Masterpiece by the artist. Comparable Caravaggio is estimated at 60 - 90 million. Feigen has a beautiful Danae by Orazio Gentileschi which he reputedly turned down 15 million.
Paintings	European Painting	\$	4,000,000	\$	6,000,000	KGFA	DIA no. 53.270	Sassetta	The Agony in the Garden	1437/1444	Tempera on poplar panel	19 1/4 x 25 1/4 x 3 in.; 48.9 x 64.1 cm	See other Sassetta above.
Paintings	European Painting	\$	5,000,000	\$	7,000,000	KGFA	DIA no. 53.356	Peter Paul Rubens	Briseis Given Back to Achilles	1630/1631	Oil on oak panel	17 7/8 x 26 5/8 in. (45.4 x 67.6 cm); Framed dimensions: 22 5/8 x 31 3/8 x 2 3/8	Comp: Meleager and Atalanta Hunting Boar Christie's London: December 8, 2005 Lot 20, \$5.4 mill, St. Michael Subduing Lucifer, Christie's London: December 7, 2006 Lot 10 \$3.5. Beautiful lush oil sketch for Achilles Tapestry Series. These types of works, small, densely painted with loose brushwork and exactly what private collectors are looking for. They make high prices at auction.
Paintings	European Painting	\$	800,000	\$	1,500,000	KGFA	DIA no. 53.359	Francesco Guardi	View of Dolo on the Brenta	1774/1776	Oil on canvas	48.2 x 66.2 cm; Framed: 24 9/16 x 31 3/4 x 3 in. (62.4 x 80.7 x 7.6 cm)	Comp: Porta del Dolo, Christie's London: Friday, December 8, 2006 [Lot 00135] \$325,000 The DIA work is not a Venetian scene which are the most coveted. However, it is a well composed and fluid depiction of Dolo. High visual interest Not Villa Loredon with Elegant figures which sold for 8 mill. The Dolo is a lively port scene and not an elegant fete galant ish work.
Paintings	European Painting	\$	500,000	\$	700,000	KGFA	DIA no. 53.468	Domenico Ghirlandaio	Young Man	15th Century	Oil on panel	Framed: 20 1/2 x 16 1/2 x 1 3/4 inches.; 13 x 9 in. (33.0 x 22.9 cm)	Most likely Davide Ghirlandaio, less famous brother to Domenico Ghirlandaio (as per Christiansen) Changing attribution but whatever the case, an good example of Florentine 15th century portraiture. Awkward use of hand. One work sold for almost a million dollars but that was purchased as a young Michelangelo and was sold to the Kimbell for \$6.5 million (some dissenting opinions as to authenticity) Otherwise decent works range from \$75,000 - 200,000
Paintings	European Painting	\$	2,000,000	\$	3,000,000	KGFA	DIA no. 54.2	Nicolas Poussin	The Holy Family; Alternate Title: The Roccataglia Madonna	1641	Oil on canvas	Unframed: 28 _ 22 1/8 in. (71.1 _ 56.2 cm); Framed: 34 in. _ 28 in. _ 2 1/2 in. (86.4 _ 71.1 _ 6.4 cm)	Not in good condition. Very skinned. Fantastic provenance Comp: Holy Family with St. John the Baptist, Christie's London: Wednesday, December 10, 2003 [Lot 00066 \$966,000, Rest on the Flight to Egypt Sotheby's Monaco: Friday, July 2, 1993 [Lot 00104], \$640,000 (not current market value for this work but similar in size and subject)
Paintings	European Painting	\$	3,000,000	\$	4,000,000	KGFA	DIA no. 55.5.A	Henry Fuseli	The Nightmare	1781	oil on canvas	Unframed: 40 _ 49 7/8 inches (101.6 _ 126.7 cm); Framed: 47 5/8 _ 58 _ 3 1/2 inches (121 _ 147.3 _ 8.9 cm)	Comp: The Vision of the Deluge Christie's London: Wednesday, July 9, 2008 [Lot 00209], \$990,000. Highest price ever paid at aution for the artist. For this artist the stranger the subject, the more interesting and valuable the work. The DIA picture fits this bill nicely. A beautiful women spralled on a bed, goblins, blind horse. A work filled with sybolism and mystery. Exactly what one would look for by Fuseli. Iconic painting
Paintings	European Painting	\$	4,000,000	\$	8,000,000	KGFA	DIA no. 56.32	Fra Angelico	Madonna and Child with Angels	1425/1430	Tempera and gold on panel	6 3/8 x 3 7/8 in.; 16.2 x 9.7 cm; Framed: 7 5/8 x 5 1/8 x 1 in. (19.4 x 13 x 2.5 cm)	More important than the single angel yet not as lyrical as the Annunciation Angel in the collection. A fully conceptualized private devotional image. There was a Giovanni di Paolo (less important artist) of similar size on the market for 2.5 million

Paintings	European Painting	\$	1,500,000	\$	2,500,000	KGFA	DIA no. 56.43	Giovanni Paolo Panini	Interior of St. Peter's, Rome	1750	Oil on canvas	132.7 x 145.6 cm 64 x 68 1/4 x 5 in.	FRAME: Comp: Interior of St. Peters and S. Giovanni Fuori Le Mura (a pair of paintings) Christie's London: Wednesday, July 7, 2004 [Lot 00106] \$4.3. The DIA work is a later version of a very successful composition. Original comp dates from the 1730s. Similar work in Hanover, Germany dating to 1750. The DIA work is a good but late example of the composition.
Paintings	European Painting	\$	6,000,000	\$	8,000,000	KGFA	DIA no. 57.180	Giovanni Battista Tiepolo	Woman with a Mandolin	c. 1755/1760	Oil on canvas	93.7 x 75 cm; Frame: 45 5/8 x 39 5/8 x 4 in.	Comp: Portrait of a Lady as Flora, Christie's London: December 2, 2008 [Lot 00040], \$4.2 mill. The comparable work is slightly smaller and was sold during a low point in the market. The DIA painting is larger, and a bit showier. Paintings of bare breasted beautiful women always have a strong market presence. Comp: Christie's New York: January 26, 2011 Lot 118 \$866,000 The DIA work is not in great condition, quite rubbed. Loss of glazes and texture. Museum picture is smaller and less intricate
Paintings	European Painting	\$	200,000	\$	400,000	KGFA	DIA no. 58.383	Michel Sittow	A Young Man in a Red Cap	c. 1512	Oil on oak panel	6 7/16 x 5 1/8 x 11/16 in. (16.4 x 13 x 1.8 cm); Frame: 9 3/4 x 8 5/16 x 1 11/16 in. (24.8 x 21.1 x 4.3 cm)	Comp: Christie's New York: January 26, 2011 Lot 118 \$866,000 The DIA work is not in great condition, quite rubbed. Loss of glazes and texture. Museum picture is smaller and less intricate
Paintings	European Painting	\$	3,000,000	\$	5,000,000	KGFA	DIA no. 59.444	Sodoma	The Holy Family and St. John	15th/16th Century	Oil on wood panel	Framed: 51 3/4 x 44 1/4 x 3 in. (131.4 x 112.4 x 7.6 cm); 40 1/4 x 32 1/2 in. (102.2 x 82.6 cm)	Not many results for Il Sodoma. A comp artist is the Siennese artist Beccafumi. Comps for his sales. Virgin and Child Sotheby's London: December 6, 2006 [Lot 00032] \$2.6 mill. Holy Family Sotheby's London: December 5, 2007 [Lot 00055], \$2.3 mill. The DIA picture is more lively, with more intense color and complicated composition. It is also in lovely condition.
Paintings	European Painting	\$	6,000,000	\$	8,000,000	KGFA	DIA no. 60.61	Master of the Osservanza	The Resurrection	c. 1440/1445	Tempera on wood panel	Framed: 18 1/4 x 24 x 2 1/2 in. (46.4 x 61 x 6.4 cm); 14 3/16 x 17 7/16 in. (36 x 44.3 cm)	Very rare artist. Similar work found in the NGA, Washington DC. Highest price paid at auction was \$1.6 in 2008 for not nearly as interesting and complicated work. Pietro Lorenzetti a couple of years ago made \$5.7 mill
Paintings	European Painting	\$	3,000,000	\$	5,000,000	KGFA	DIA no. 61.397	Lucas Cranach the Elder	Saint Christopher	1518/1520	Oil on linden panel	Framed: 17 1/2 x 11 3/4 x 1 5/8 in. (44.45 x 29.85 x 4.14 cm); 16 1/2 x 11 in. (41.9 x 27.9 cm)	Comp: David and Bathsheba, Sotheby's London: July 9, 2008 Lot 62, \$4.1 Even though the subject is religious, the painting has a lively, sexy quality to it in tone and subject (neriad), beautiful conditon, beautiful foliage - all the precision you want to find with the artist.
Paintings	European Painting	\$	2,000,000	\$	3,000,000	KGFA	DIA no. 64.117	John Constable	The Glebe Farm	1827	Oil on canvas	18 1/4 x 23 1/2 (46.4 x 59.7); Frame: 26 3/8 x 30 3/4 x 2 in. (67.0 x 78.1 x 5.1 cm)	Comp: White Horse, Christie's London: November 30, 2000 [Lot 00003], \$1.0 mill, View of the City of London, Christie's London: Wednesday, November 26, 2003 [Lot 00008] \$966,000 Glebe Farm is a more cohesive and dense work than either of the comps listed here. However, the only other comp is The Lock which sold for \$35,000,000. It is similar in feel and execution but not nearly as monumental in scale.
Paintings	European Painting	\$	400,000	\$	600,000	KGFA	DIA no. 64.459	Peter Paul Rubens	Saint Ives of Treguier, Patron of Lawyers, Defender of Widows and Orphans	1615/1616	Oil on canvas	113 x 87 in. (287.0 x 221.0 cm); Framed: 125 x 99 3/4 x 5 1/2 in. (317.5 x 253.4 x 14 cm)	Comp: Holy Family with St. Anne, Dorotheum: April 9, 2014 Lot 528 \$694,000, Hercules and Omphale, Christie's London: December 3, 2013 Lot 8 \$654,000.
Paintings	European Painting	\$	1,000,000	\$	2,000,000	KGFA	DIA no. 65.10	Gerard Ter Borch	Lady at Her Toilette	c. 1660	oil on canvas	Unframed: 30 _ 23 1/2 inches (76.2 _ 59.7 cm); Framed: 43 7/8 _ 37 5/8 _ 3 1/4 inches (111.4 _ 95.6 _ 8.3 cm)	Comp: The Card Players, Sotheby's New York: Thursday, June 4, 2009 [Lot 00020], \$1,590,000. Although appearing skinned in the background, the DIA work is a very elegant composition with a rich, lavish depiction of silks, finery, carpets etc. Most of the works by this artist a singular portraits and do not depict the refined Dutch upper class in an interior setting.

Paintings	European Painting	\$	1,500,000	\$	2,500,000	KGFA	DIA no. 65.347	Niccolo	dell' Abbate	Eros and Psyche	16th Century	Oil on canvas	Framed: 50 1/4 x 48 7/8 x 2 1/2 in. (127.6 x 124.2 x 6.4 cm); 39 1/4 x 36 1/2 in. (99.7 x 92.7 cm)	Comp: School of Fontainebleau Lady at Her Bath, Christies 2013 \$450,000, Portrait of a Nobleman, Sotheby's London: July 8, 2009 [Lot 00016] - This work is by similar artist Primaticcio and was Attributed to, not full authorship was given. \$1.2 mill. Sexy subject, not great condition, uncommon to find school of Fontainebleau work, large image. Highest ever paid at auction for dell'Abate is \$350,00 however it is a portrait of a man, not a mythological scene.
Paintings	European Painting	\$	2,000,000	\$	4,000,000	KGFA	DIA no. 66.15	Giovanni	di Paolo	Saint Catherine of Siena Dictating Her Dialogues	c. 1447/1449	Tempera on wood panel	14 x 14 1/8 x 1 3/4 in.; 11 3/8 x 11 3/8 in.; 28.9 x 28.9 cm	Gold Ground on retail market in 09 for \$2.0 mill at Moretti. The DIA picture probably relates more closely to the works in the Met and was a predella panel for an altarpiece commissioned in 1447. The only fully attributed work on the open market was bought in possibly due to its poor state.
Paintings	European Painting	\$	1,000,000	\$	1,500,000	KGFA	DIA no. 68.298	Jacob Isaaksz	van Ruisdael	Wooded Landscape with a Stream	1665/1668	Oil on canvas	21 1/8 x 24 1/2 (53.02 x 62.2); Frame: 28 1/2 x 32 1/2 x 3 1/2 in. (72.4 x 82.6 x 8.9 cm)	Comp: Wooded Landscape Sotheby's New York: January 30, 2014 Lot 31, \$665,000, Christie's New York: January 29, 1999 Lot 182, \$1.1 This is a fine example of the artist's work. Well balanced composition, good condition and good detail.
Paintings	European Painting	\$	10,000,000	\$	15,000,000	KGFA	DIA no. 68.47	Orazio	Gentileschi	Young Woman with a Violin (Saint Cecilia); Alternate Title: Artemisia Gentileschi as Saint Cecilia	c. 1612	Oil on canvas	83.5 x 97.8 cm; Framed: 41 x 47 x 4 in. (104.1 x 119.4 x 10.2 cm)	Madonna and Child, Christie's London: December 6, 2007 [Lot 00071], \$4.1 mill, Holy Family, Sotheby's London: Thursday, July 6, 2000 [Lot 00028] \$3.6 mill Neither of these works come close to the beauty or importance of the DIA Young Woman with a Violin Artist of Similar stature, Guercino, King David Christie's London: Tuesday, July 6, 2010 [Lot 00007] \$7.8 mill The value is higher because of
Paintings	European Painting	\$	6,000,000	\$	8,000,000	KGFA	DIA no. 69.6	Guido	Reni	The Angel Appearing to St. Jerome	c. 1638	Oil on canvas	Framed: 91 1/4 x 71 x 4 1/2 in. (231.8 x 180.3 x 11.4 cm); 199.7 x 147.9 cm	Highest price ever paid is \$3.6 which was small and on copper. This is a large scale altarpiece and these rare on the market
Paintings	European Painting	\$	3,000,000	\$	4,000,000	KGFA	DIA no. 70.164	Jean Siméon	Chardin	Still Life; Alternate Title: Kitchen Still Life	c. 1732	Oil on panel	6 3/4 x 8 1/4 in. (17.1 x 20.96 cm); Framed: 11 1/2 x 13 x 2 1/4	Comp: Sotheby's New York, 1/26/06, lot 56 \$665,000 Sotheby's New York, 1/24/02 lot 196A \$1,250,000 - 1,700,000 BI Small panel beautifully preserved, fantastic provenance, early work
Paintings	European Painting	\$	1,000,000	\$	1,500,000	KGFA	DIA no. 70.170	Jean Auguste Dominique	Ingres	Perseus and Andromeda; Alternate Title: Study for Roger and Angelica	c. 1819	Oil on canvas	7 3/4 x 6 3/8 in. (19.7 x 16.2 cm); Framed: 12 7/8 x 11 1/4 x 2 1/2 in. (32.7 x 28.6 x 6.4 cm)	Comp: Jupiter and Thetis, Christie's Monaco: Saturday, December 2, 1989 [Lot 00068], \$2.4 mill. There is not one work that has come up on the public market that comes close to the little jewel of a work. The color, the composition the grace. Ingres is the 2nd most important painter behind David of the early 19th century. The LACMA just purchased a small version of the Grand Odalisque, perhaps 2 or 3 months ago for \$750,000.
Paintings	European Painting	\$	5,000,000	\$	7,000,000	KGFA	DIA no. 71.1		Guercino (Giovanni Francesco Barbieri)	Assumption of the Virgin	1650	Oil on canvas	Framed: 133 1/2 x 99 1/4 x 4 in. (339.1 x 252.1 x 10.2 cm); 121 1/4 x 86 1/2 in. (308.0 x 219.7 cm) ; 94 1/8 x 61 3/4 in. (239.1 x 156.8 cm); Framed: 102 3/8 x 68 3/8 x 4 3/4	Comp: King David Christie's London: Tuesday, July 6, 2010 [Lot 00007] \$7.8 mill This is a lesser work by the artist. Although larger, it has a more formulaic quality to it. Not as inspired as other
Paintings	European Painting	\$	3,000,000	\$	5,000,000	KGFA	DIA no. 71.169	Thomas	Gainsborough	The Honorable Richard Savage Nassau de Zuylestein, M.P.	c. 1778/1780	Oil on canvas		Comp: Portrait of Philip Stanhope Christie's London: Tuesday, December 6, 2011 [Lot 00036] \$3.3 mill. Very similar in feel, size and composition

Paintings	European Painting	\$	4,000,000	\$	6,000,000	KGFA	DIA no. 71.170	Thomas	Gainsborough	Lady Anne Hamilton; Alternate Title: Lady Anne Hamilton later Duchess of The Shepherdess	c. 1778	oil on canvas	Framed: 101 7/8 _ 68 1/2 _ 4 3/4 in. (258.8 _ 174 _ 12.1 cm); Unframed: 93 58 1/2 x 36 7/8 in. (148.6 x 93.7 cm);shaped canvas; FrameD: 64 3/4 x 42 5/8 x 4	See above - female sitter and more loosely painted.
Paintings	European Painting	\$	10,000,000	\$	15,000,000	KGFA	DIA no. 71.390.A	Jean Honore	Fragonard		1754/1755	Oil on canvas		Comp: Aurora, Sotheby's New York: Thursday, January 31, 2013,\$3.8 mill. To be sold as together. Important commission and provenance
Paintings	European Painting	n/a part of 4	n/a part of 4			KGFA	DIA no. 71.390.B	Jean Honore	Fragonard	The Grape Gatherer; Alternate Title: Scenes of Country Life (#2 of 4)	1754/1755	Oil on canvas	59 1/8 x 33 3/4 in. (150.2 x 85.7 cm),shaped canvas; FrameD: 64 5/8 x 39 1/2 x 3 3/4	
Paintings	European Painting	n/a part of 4	n/a part of 4			KGFA	DIA no. 71.390.C	Jean Honore	Fragonard	The Reaper; Alternate Title: Scenes of Country Life (#3 of 4)	1754/1755	Oil on canvas	59 x 34 in. (149.9 x 86.4 cm), shaped canvas; FrameD: 64 5/8 x 39 5/8 x 3 3/4	
Paintings	European Painting	n/a part of 4	n/a part of 4			KGFA	DIA no. 71.390.D	Jean Honore	Fragonard	The Gardener; Alternate Title: Scenes of Country Life (#4 of 4)	1754/1755	Oil on canvas	58 3/4 x 36 3/4 in. (149.2 x 93.3 cm), shaped canvas; FrameD: 64 5/8 x 43 x 3 3/4	
Paintings	European Painting	\$	700,000	\$	900,000	KGFA	DIA no. 72.201		Rembrandt Harmensz van Rijn	Man Wearing a Plumed Beret and Gorget	mid 1630's	Oil on oak panel	27 1/8 x 20 3/8 (68.9 x 51.8); Frame: 34 3/4 x 28 x 4 in. (88.3 x 71.1 x 10.2 cm)	Comp: Portrait of a Young Man, Sotheby's Amsterdam:November 11, 2008 Lot 36, \$161,000, Govaert Flinck Portrait of an Old Man, Sotheby's London: April 27, 2006 Lot 42. This is a first rate studio work by Rembrandt and has been proposed to be by Govaert Flinck, his pupil. It's in good condition, on panel and from the 1630s.
Paintings	European Painting	\$	1,500,000	\$	2,500,000	KGFA	DIA no. 73.1	Charles	Le Brun	The Presentation of Christ in the Temple; Alternate Title: The Purification of the Virgin	1645	Oil on canvas	Framed: 122 x 92 7/8 x 4 1/2 in. (309.9 x 235.9 x 11.4 cm) 231LPs; Stretcher: 107 x 78 7/8 in. (267.0 x 194.3 cm); Framed Weight 230 LBs (date 1-07): Canvas: 105 15/16 in. (100 x 134.5 cm); Unframed: 39 3/8 x 52 15/16 in. (100 x 134.5 cm); Framed: 51 x 64 3/4 x 3 3/4 in. (129.5 x 164.5 x 9.5 cm)	Comp: Le sacrifice de Polyxène,Christie's Paris: Monday, April 15, 2013 [Lot 00036], \$1.885 Suzanne devant ses juges, Beaussant & Lefèvre: Friday, December 4, 1998 [Lot 00056] \$639,829 The DIA picture is larger but of similar quality to the Christie's work.
Paintings	European Painting	\$	30,000,000	\$	40,000,000	KGFA	DIA no. 73.268	Michelangelo	Merisi da Caravaggio	The Conversion of the Magdalen; Title: The Conversion of the Magdalen; Alternate Title: The Alzaga Caravaggio	c. 1598	oil and tempera on canvas		There are 4 works in private hands by Caravaggio - 2 versions of the Lute Player, Portrait of Maffeo Barberini and Sacrifice of Isaac - all of which have been valued between 60 - 100 million dollars. Because the condition of this work is quite skinned, it should be placed at the lower end of the spectrum. This evaluation assumes full authorship.
Paintings	European Painting	\$	10,000,000	\$	15,000,000	KGFA	DIA no. 77.1.1	Fra	Angelico	Annunciatory Angel; former: Angel Annunciate	between 1450 and 1455	gold leaf and tempera on wood panel	Unframed: 13 _ 10 5/8 inches (33 _ 27 cm); Framed: 19 3/8 inches _ 17 1/4 inches _ 2 inches (49.2 _ 43.8 _ 5.1 cm)	Early renaissance masterpiece, icon. No market comparables are available other than the Duccio di Buonisegna which was sold to the Met for \$45 mill. The Met work is a private devotional work and not a fragment as the DIA piece is. In good condition.

Paintings	European Painting	\$	3,000,000	\$	5,000,000	KGFA	DIA no. 77.1.2	Fra Angelico	Virgin Annunciate	between 1450 and 1455	gold leaf and tempera on wood panel	Framed: 19 1/2 inches _ 17 3/8 inches _ 2 inches (49.5 _ 44.1 _ 5.1 cm); Unframed: 13 _ 10 5/8 inches (33 _ 27 cm)	Condition issues. Not nearly as much hand of the artist remains. See explanation above. This angel, while lovely, does not possess any of the detail of the Annunciatory Angel above.
Paintings	European Painting	\$	4,000,000	\$	6,000,000	KGFA	DIA no. 77.2	Benozzo Gozzoli	Virgin and Child with Angels	c. 1460	Gold leaf and tempera on wood panel	Framed: 41 x 32 1/4 x 4 5/8 in. (104.1 x 81.9 x 11.8 cm); 25 3/4 x 19 7/8 in. (65.4 x 50.5 cm)	A very rare early Florentine Renaissance artist. Think Medici Palace frescoes. Assuming good condition, this work is in the same general range as the Fra Angelico and more important than the Sassetta. No good market comparables are available.
Paintings	European Painting	\$	10,000,000	\$	12,000,000	KGFA	DIA no. 77.3	Pietro Perugino	Madonna and Child	c. 1500	tempera on panel	Framed: 50 1/8 _ 42 1/2 _ 5 1/4 inches (127.3 _ 108 _ 13.3 cm); Unframed: 31 3/4 _ 25 1/2 inches (80.6 _ 64.8 cm)	Italian Renaissance masterpiece and prefigures Raphael. One in terrible condition sold for \$600,000 in 2013. It was a shell of its former self. The DIA work is in fine condition with its beautiful glazes in tact. There are 2 Raphaels on in private hands which would be more expensive but are comparable. Bridgewater Madonna and the Holy Family. The Madonna of the Pinks sold for @ \$50mill in 2004 and recently a Raphael drawing sold for \$48 mill in 2009. Perugino is not Raphael but one cannot dispute his importance
Paintings	European Painting	\$	30,000	\$	50,000	KGFA	DIA no. 77.72	Jean Francois de Troy	Luncheon with Figures in Masquerade Dress	1725	Oil on canvas	88 1/4 x 65 in.; 224.2 x 165.1 cm; Frame: 100 3/4 x 79 3/8 x 4 1/2 (255.9 x 201.6 x 11.4)	Comp: Workshop paintings for this artist generally come in well below \$100,000. This is a large, well painted work in decent condition.
Paintings	European Painting	\$	4,000,000	\$	6,000,000	KGFA	DIA no. 77.81	Hans Holbein the Younger	A Woman	1532/1534	Tempera and oil on oak panel	Framed: 15 5/8 x 13 5/8 x 1 1/2 in. (39.7 x 34.6 x 3.8 cm); 9 1/8 x 7 1/2 in. (23.2 x 19.1 cm)	Comp: Large Circle of H, Henry the VIII, Christie's London: July 5, 2011 Lot 6, \$1.0 mill "The Madonna with the Family of Mayor Meyer", Holbein masterpiece sold for \$70 million in Germany. Might have been worth more but no export license.
Paintings	European Painting	\$	2,500,000	\$	3,500,000		DIA no. 78.59	John Everett Millais	Leisure Hours	1864	Oil on canvas	35 x 46 1/2 (88.9 x 118.1); 44 x 55 5/8 x 2 3/8 in. (111.8 x 141.3 x 6.0 cm)	Christie's London, July 11, 2013, lot 9, \$3,481,359; Sotheby's London, July 1, 2004, lot 21, \$2,036,179; Christie's London, June 11, 2003, lot 9, \$2,062,083
Paintings	European Painting	\$	1,000,000	\$	2,000,000	KGFA	DIA no. 79.30	Bartolomeo Manfredi	The Fortune Teller	c. 1616/1617	Oil on canvas	122.2 x 154 cm; Frame: 62 1/2 x 75 x 4 in.	Comp: Men Drinking in a Tavern, Sotheby's New York: Friday, January 28, 2000 [Lot 00061], \$1 - 1.5 mill BI Excellent Baroque Caravaggesque subject. Condition is an issue
Paintings	European Painting	\$	2,000,000	\$	3,000,000	KGFA	DIA no. 89.11	Giovanni Battista Cima	Madonna and Child	late15th/early 16th Century	Paint on wood panel	25 3/8 x 18 7/8 inches (64.5 x 47.9 cm); Framed: 33 1/8 x 26 7/8 x 2 3/8 (84.1 x 68.3 x 6.0)	Comp: Madonna and Child in a Landscape, Christie's New York: Thursday, April 19, 2007 [Lot 00064], \$3.4 mill. The painting sold at auction has a more complicated background and more animated subjects. Earliest picture in the collection? 1889?
Paintings	European Painting	\$	600,000	\$	800,000	KGFA	DIA no. 89.23	Guido Reni	Head of Christ Crowned with Thorns	early 1630's	Oil on copper panel	Panel: 19 1/2 x 16 inches (49.5 x 40.6 cm); Framed: 33 x 29 5/8 x 2 inches (83.8 x 75.3 x 5.1 cm)	Comp: Ecce Homo Sotheby's London: Wednesday, December 6, 2006 [Lot 00039] \$636,000 Christ Crowned with Thorns Christie's London: Tuesday, July 8, 2008 [Lot 00009] \$240,000. Lovely work by the artist, on copper and therefore in good condition as it retains its colors and support more effectively.

Paintings	European Painting	\$	400,000	\$	600,000	KGFA	DIA no. 89.30	Gerrit Adriaensz.	Berckheyde	View of the Grote Kerk in Haarlem	1695	Oil on canvas	Canvas: 19 5/8 x 16 3/4 inches (49.8 x 42.5 cm); Framed: 26 3/4 x 23 5/8 x 2 1/2	Comp: Grote Markt, Christie's New York: January 29, 2014 Lot 25, \$245,000, Haarlem, St. Bavo's Church Christie's Amsterdam: November 1, 2011 Lot 22 \$100,000 - 160,000 Bl, The Hague, Sotheby's New York: January 26, 2011 Lot 3 \$660,000 Varying prices - This is an interesting view, in good condition and on canvas. It is more intriguing that the 2014 sale but less so than the 1/26/11 sale.
Paintings	European Painting	\$	6,000,000	\$	8,000,000	KGFA	DIA no. 89.35	Jan	Provost	The Last Judgment	c. 1525	Oil on oak panel	Framed: 29 5/8 x 30 9/16 x 3 inches (75.25 x 77.63 x 7.62 cm); 22 3/4 x 23 7/8 inches (57.8 x 60.6 cm)	Comp: Annunciation, Christie's New York: January 29, 2014 Lot 156, \$3.6 This is the only comp on file for Provost. The DIA picture is larger and much more complicated. It is very rare to find this artist, with a large scale work for sale.
Paintings	European Painting	\$	400,000	\$	600,000	KGFA	DIA no. 89.39	Pieter	de Hooch	Mother Nursing Her Child	c. 1674/1676	Oil on canvas	Canvas: 31 3/8 x 23 1/2 inches (79.7 x 59.7 cm); Framed: 40 3/8 x 32 1/4 x 3 3/8	Comp: Mother and Child Sweeping Christie's New York: Wednesday, January 26, 2011 Lot 00028, 200 - 300,000 Bl, Lady Nursing in an Interior, Christie's London: Tuesday, July 8, 2008 [Lot 00035] 400 - 600,000 Bl. DIA is very similar to the 2008 picture, perhaps in slightly better condition.
Paintings	European Painting	\$	200,000	\$	300,000	KGFA	DIA no. 89.44		Rembrandt Harmensz van Rijn	The Death of Lucretia (?)	mid 1640's	Oil on canvas	Unframed: 68 1/2 _ 86 1/2 inches (174 _ 219.7 cm); Framed: 81 1/2 _ 100 3/4 _ 5 3/4 inches (207 _ 255.9 _ 14.6 cm)	Comp: Adoration of the Magi, Sotheby's London: Thursday, December 9, 2010 [Lot 00125], \$153,000, Large format subject from unknown hand. Discreet quality, but by no means exceptional. Has passages of mediocre conservation. Clumsy handling of various pictorial elements.
Paintings	European Painting	\$	800,000	\$	1,200,000	KGFA	DIA no. 89.46	Jan Havicksz	Steen	Gamblers Quarreling	c. 1665	Oil on canvas	Canvas: 27 3/4 x 35 inches (70.5 x 88.9 cm); Framed: 36 1/2 x 44 1/4 x 2 3/4	Comp: Village Wedding, Christie's New York: Wednesday, January 27, 2010 [Lot 00022], \$362,000, Tavern with Cock Fighting, Christie's London: Thursday, July 5, 2007 [Lot 00029], \$150 - 260,000 Bl, The 12th Night, Sotheby's New York: Thursday, June 4, 2009 [Lot 00018] \$675,000 DIA picture is identical in size, tone and handling to the 12th Night. Taking into account that they are in analagous condition, and this picture sold for \$675,000 in the height of the last recession, I believe that there is a notable increase in value from the last sale.
Paintings	European Painting	\$	8,000,000	\$	10,000,000	KGFA	DIA no. 89.63	Peter Paul	Rubens	The Meeting of David and Abigail	1625/1628	Oil on canvas	70 1/4 x 98 inches; 178.5 x 249.0 cm; Framed: 86 3/4 x 114 1/2 x 6 1/2 inches; 220.3 x 290.8 x 16.5 cm	Very fancy French provenance. Large scale, includes somewhat clumsy passages. Some question as to whether it is fully autograph or not. Massacre of the Innocents sold for \$76,000,000, Single figure Portrait of a Commander sold for \$13,000,000
Paintings	European Painting	\$	100,000	\$	150,000	KGFA	DIA no. 89.70	Bartolome Esteban	Murillo	The Immaculate Conception	17th Century	Oil on canvas	Unframed: 78 x 53 inches (198.1 x 134.6 cm); Framed: 93 1/2 x 62 1/4 x 4 1/2 inches (237.5 x 158.1 x 11.4 cm)	Comp: Immaculate Conception, Christie's London: Thursday, July 6, 2006 [Lot 00046] \$430,000 Studio versions sell for less than \$100,000. This is a particularly well painted workshop piece.
Paintings	European Painting	\$	1,200,000	\$	1,800,000	KGFA	DIA no. 37.21	Jacob Isaaksz	van Ruisdael	Farm and Hayrick on a River	late 1640's	Oil on oak panel	15 1/2 x 20 3/8 (39 x 51.2); Frame: 24 3/4 x 29 1/2 x 2 3/8 in. (62.9 x 74.9 x 6.0 cm)	Comp: Sotheby's 1/26/12, lot 23 \$782,000, Christies's NY, 6/4/14 lot 38, \$1,800,000, Lush rich example on panel with water. The \$1.8 mill sale is a more poetic and romantic image and less formulaic that 37.21. This was not on view so therefore I cannot judge the condition. I am assuming that it is in a well preserved state as it is on panel.

Artvest Total 19th Century & Old Master Prgs	\$	349,810,000	\$	496,550,000
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Sculpture	European Sculpture and Dec Arts	\$	100,000	\$	200,000		DIA no. 1987.75	Louis Francois Roubiliac	Bust of Isaac Ware	c. 1741	marble	Overall: 25 3/4 inches _ 18 inches _ 9 5/8 inches (65.4 _ 45.7 _ 24.4 cm); Mount (pedestal): 49 7/16 _ 16 3/4 _ 16 3/4 inches (125.6 _ 42.5 _ 42.5 cm)	Summary not provided
Ceramic	European Sculpture and Dec Arts	\$	200,000	\$	400,000	JHY	DIA no. 1990.245	Doccia Porcelain Factory	Apollo in his Chariot; translated: Vaso	between 1748 and 1750	hard paste porcelain	Including base: 23 5/8 _ 13 1/2 _ 8 1/4 inches (60 _ 34.3 _ 21 cm)	Bonham's London, Dec 7, 2011, lot 30, 657,250 EUR; Christie's Paris, Nov. 26, 2005, lot 292, \$218,271; Sotshby's Milan, April 18, 2007, lot 246, 174,000 EUR.
Sculpture	European Sculpture and Dec Arts	\$	100,000	\$	200,000	JHY	DIA no. 1997.1	Jean-Léon Gérôme	Seated Woman	c. 1890/1895	Marble with original wax and polychromy	17 x 13 3/4 x 13 3/4 in.; 43.2 x 34.9 x 34.9 cm	Summary not provided
Sculpture	European Sculpture and Dec Arts	\$	150,000	\$	300,000	JHY	DIA no. 2001.67	Francois Rude	Departure of the Volunteers of 1792 (The Marseillaise)	c. 1835	original plaster model	Unframed: 42 inches _ 24 1/2 inches _ 7 inches (106.7 _ 62.2 _ 17.8 cm); Framed: 51 1/2 inches _ 36 1/2 inches _ 7 inches (130.8 _ 92.7 _ 17.8 cm) Including base (depth Overall: 64 _ 17 1/2 _ 13 inches (162.6 _ 44.5 _ 33 cm)	Based on the unique nature of this plaster model, direct comparables are difficult. A comparison is made to terracotta maquettes by Rodin for the large scale Gates of Paradise. Christie's Pareis, November 28, 2012, lot 21, \$373,808.
Sculpture	European Sculpture and Dec Arts	\$	4,000,000	\$	6,000,000	JHY	DIA no. 22.3	Michel Erhardt	Virgin and Child; Alternate Title: Virgin and Child on the Crescent Moon; Alternate Title: Madonna and Child	c. 1480	linden wood with traces of polychromy and gesso	Overall: 64 _ 17 1/2 _ 13 inches (162.6 _ 44.5 _ 33 cm)	Sotheby's NY, Jan 24, 2008, lot 31, \$6,313,000; Sotheby's NY, May 22, 2001, lot 32, \$2,9975,750; Sotheby's London, July 2, 2013, lot 26, 458,500 GBP
Sculpture	European Sculpture and Dec Arts	\$	6,000,000	\$	8,000,000		DIA no. 27.150	Nino Pisano	Madonna and Child	between 1350 and 1360	fine grained white marble with traces of polychromy	Overall (with pedestal): 46 1/2 _ 29 _ 25 inches (118.1 _ 73.7 _ 63.5 cm); Overall (without pedestal): 20 x 9 x 4 in. (50.8 x 22.9 x 10.2 cm)-sight	Summary not provided
Sculpture	European Sculpture and Dec Arts	\$	3,000,000	\$	4,000,000		DIA no. 37.147	Pollaiuolo	Judith	c. 1470	Bronze with traces of gilding		
Ceramic	European Sculpture and Dec Arts	\$	400,000	\$	600,000	JHY	DIA no. 37.74	Unknown	Vase	c. 1470	Tin-glazed earthenware with polychrome decoration	15 1/4 x 11 1/8 x 8 1/4 in. (38.74 x 28.26 x 21 cm)	Extremely, its importance is based on its historical association with the court of Lorenzo de Medici not on its aesthetic quality. Also, it has restoration to the foot. Christie's London, July 9, 1999, lot 140, \$478,055; Christie's Paris, Dec. 17, 2009, lot 50, \$1,707,918; Sotheby's London, Dec. 8, 2009, Lot 1, 481,250 GBP

Sculpture	European Sculpture and Dec Arts	\$	6,000,000	\$	8,000,000	DIA no. 40.19	Donatello	Madonna and Child	1410/1420	Gilt terracotta with polychrome decoration	26 5/8 x 14 7/8 x 13 1/8 in. (67.6 x 37.8 x 33.3 cm)	Summary not provided	
Sculpture	European Sculpture and Dec Arts	\$	100,000	\$	150,000	DIA no. 41.124	Donatello	Coat of Arms of the Boni Family	c. 1457	sandstone (Pietra serena)	Overall: 85 _ 29 1/4 inches (215.9 _ 74.3 cm)	Summary not provided	
Sculpture	European Sculpture and Dec Arts	\$	2,000,000	\$	3,000,000	DIA no. 49.23	Jean Antoine	Houdon	Robert Fulton	c. 1804	Marble	Includes socle: 28 3/4 x 20 x 12 3/4 in. (73 x 50.8 x 32.4 cm)	Summary not provided
Sculpture	European Sculpture and Dec Arts	\$	1,000,000	\$	1,500,000	DIA no. 49.417	Danese	Cattaneo	Neptune: Allegory of Winter and Water	c. 1545	bronze, cast after wax model, black patina	Overall: 48 _ 23 1/2 _ 23 inches (121.9 _ 59.7 _ 58.4 cm)	Summary not provided
Sculpture	European Sculpture and Dec Arts	\$	1,000,000	\$	1,500,000	DIA no. 49.418	Danese	Cattaneo	Mars: Allegory of Summer and Fire	c. 1545	bronze, cast after wax model, black patina	Overall: 47 _ 18 _ 14 inches (119.4 _ 45.7 _ 35.6 cm)	Summary not provided
Sculpture	European Sculpture and Dec Arts	\$	2,000,000	\$	3,000,000	DIA no. 52.218	Giovanni Lorenzo	Bernini	Triton with a Sea Serpent	c. 1630s - before 1642	Terracotta	11 x 6 3/4 x 7 1/4 in. (27.9 x 17.1 x 18.4 cm)	Summary not provided
Sculpture	European Sculpture and Dec Arts	\$	2,000,000	\$	3,000,000	DIA no. 52.219	Giovanni Lorenzo	Bernini	Triton with a Shell	c. 1630 - before 1642	Terracotta	12 1/8 x 8 3/8 x 7 1/8 in. (30.8 x 21.3 x 18.1 cm)	Summary not provided
Sculpture	European Sculpture and Dec Arts	\$	3,000,000	\$	5,000,000	DIA no. 52.220	Giovanni Lorenzo	Bernini	Chair of St. Peter	1658	terracotta	Overall: 23 _ 11 1/2 _ 11 inches (58.4 _ 29.2 _ 27.9 cm)	
Furniture Accessory	European Sculpture and Dec Arts	\$	500,000	\$	800,000	JHY DIA no. 53.177	Etienne	Pollet	Large Jewelry Box; Alternate Title: Large Jewelry Box	1738/1739	Silver	4 1/2 x 10 3/4 x 8 5/8 in. (11.4 x 27.3 x 21.9 cm)	Needs to be sold as a set along with DIA numbers 53.178 through 53.186 as a complete toilet set. Christie's Paris, Oct. 3, 2012, lot 39, \$125,258; Christie's London, June 7, 2011, lot 206, 265,250 GBP; Christie's NY, October 21, 2003, lot 425, estimated \$450,000 - \$550,000, unsold (BI).
Furniture Accessory	European Sculpture and Dec Arts	\$	-	\$	-	JHY DIA no. 53.178	Etienne	Pollet	Large Jewelry Box; Alternate Title: Large Jewelry Box	1738/1739	Silver	4 3/4 x 11 x 9 in.	Needs to be sold together with DIA 53.177 and is valued above as if it would be sold as a set.
Furniture Accessory	European Sculpture and Dec Arts	\$	-	\$	-	JHY DIA no. 53.183	Antoine	LeBrun	Ewer; Alternate Title: Ewer	1738/1739	Silver	Ewer: 10 1/8 x 6 1/8 x 5 1/8 in. (25.7 x 15.6 x 13 cm)	Needs to be sold together with DIA 53.177 and is valued above as if it would be sold as a set.
Furniture Accessory	European Sculpture and Dec Arts	\$	-	\$	-	JHY DIA no. 53.184	Antoine	LeBrun	Basin; Alternate Title: Basin	1738/1739	Silver	2 5/8 x 13 3/8 x 9 15/16 in. (6.7 x 34 x 25.2 cm)	Needs to be sold together with DIA 53.177 and is valued above as if it would be sold as a set.

Furniture Accessory	European Sculpture and Dec Arts	\$	-	\$	-	JHY	DIA no. 53.185	Antoine LeBrun	Table Mirror; Alternate Title: Table Mirror	1738/1739	Silver	26 1/2 x 23 7/8 x 2 1/2 in. (67.3 x 60.6 x 6.4 cm); Display dims.: 25 3/8 x 23 7/8 x 11 1/8 in. (64.4 x 60.6 x 28.3 cm)	Needs to be sold together with DIA 53.177 and is valued above as if it would be sold as a set.
Furniture Accessory	European Sculpture and Dec Arts	\$	-	\$	-	JHY	DIA no. 53.186	Antoine LeBrun	Pair of Cosmetic Pots with Stand; Alternate Title: Pair of Cosmetic Pots with Stand	1738/1739	Silver	Cosmetic Pots: 4 x 2 3/4 in. diam. ea.; Stand: 1 1/2 x 9 1/2 x 6 3/4 in.	Needs to be sold together with DIA 53.177 and is valued above as if it would be sold as a set.
Arms and Armor	European Sculpture and Dec Arts	\$	500,000	\$	1,000,000	JHY	DIA no. 53.193	Lorenz Helmschmied	Armor in the Gothic Style	c. 1485 and later	Steel, copper alloy, leather	As displayed: 71 x 28 1/2 x 26 1/4 in. (180.34 x 72.39 x 66.68 cm)	Complete, period (most are 19th century reproductions or are composites from different sets) garnitures of armor have not shown up at auction in a long period of time, there are no real comparables on which to base an estimate. Given the quality, and Hearst Collection provenance, and its known maker, we estimate it could sell for \$500,000 to a million. Only reasonable comp is from Pierre Berge & Associes, Paris, December 13, 2011, lot 179, 270,000 Euros.
Arms and Armor	European Sculpture and Dec Arts	\$	150,000	\$	300,000	JHY	DIA no. 53.196	Unknown	Jousting Armor; Title: Jousting Armor	c. 1580	Steel, copper alloy, leather, paint	As displayed: 69 x 27 1/4 x 20 5/8 in. (175.26 x 69.22 x 52.37 cm)	A lesser piece than DIA 53.193, it would be at the lower end of the comp referred to above.
Arms and Armor	European Sculpture and Dec Arts	\$	150,000	\$	300,000	JHY	DIA no. 53.197	Unknown	Armor for the Tilt in the Saxon Fashion	c. 1590	Steel, leather	As displayed: 70 1/2 x 30 x 17 7/8 in. (179.07 x 76.2 x 45.39 cm)	A lesser piece than DIA 53.193, it would be at the lower end of the comp referred to above.
Arms and Armor	European Sculpture and Dec Arts	\$	150,000	\$	300,000		DIA no. 53.198	Unknown	Half-Armor; Alternate Title: Corsaletto	c. 1550	steel , gilding	Overall (top of helmet to tip of tassel): 47 1/2 inches (120.7 cm)	A lesser piece than DIA 53.193, it would be at the lower end of the comp referred to above.
Arms and Armor	European Sculpture and Dec Arts	\$	150,000	\$	300,000		DIA no. 53.200	Unknown	Corsaletto; Title: Half Armor of Corsaletto	c. 1605	Steel, blued, etched and gilded	30 1/2 x 23 3/4 x 13 1/2 in. (77.47 x 60.33 x 34.29 cm); Pedestal: 36 3/8 x 17 3/4 x 14 1/2 in. (92.4 x 45.1 x 36.8 cm); Top base: 5 1/8 x 9 1/2 x 8 3/4 in. (13 x 24.1 x 22.2 cm)	A lesser piece than DIA 53.193, it would be at the far lower end of the comp referred to above.
Silver	European Sculpture and Dec Arts	\$	400,000	\$	600,000	JHY	DIA no. 55.183.A	Thomas Germain	Tureen with Lid and Stand	1729/1730	Silver, cast, applied, chased, and sculpted.	8 1/2 x 17 1/6 x 13 7/8 in. (21.6 x 43.6 x 35.2 cm)	Sotheby's Paris, April 18, 2012, lot 89, \$709,645; Christie's London, July 5, 2000, lot 10, \$471,054; Christie's Paris, November 8, 2013, lot 135, \$2,374,115; Sotheby's Nov. 20, 2003, lot 196, 688,800 GBP
Tapestry	European Sculpture and Dec Arts	\$	150,000	\$	250,000	JHY	DIA no. 55.519	Unknown	Pride; Alternate Title: Superbia	c. 1500/1510	Wool, silk	148 x 264 in. (375.9 x 670.6 cm)	Sotheby's London, Oct. 29, 2008, lot 46, 229,250 GBP; Christie's NY, April 20, 2007, lot 121 \$144,000; Christie's London, Dec. 14-15, 2005, lot 79, \$330,970
Tapestry	European Sculpture and Dec Arts	\$	150,000	\$	250,000	JHY	DIA no. 55.520	Unknown	Charity; Alternate Title: Caritas	c. 1500/1510	Wool, silk	152 x 250 in. (386 x 635 cm)	See note for DIA 55.519
Tapestry	European Sculpture and Dec Arts	\$	150,000	\$	250,000	JHY	DIA no. 55.521	Unknown	Fortitude; Alternate Title: Fortitudo	c. 1500/1510	Wool, silk	152 x 260 in. (386.1 x 660.4 cm)	See note for DIA 55.519

Tapestry	European Sculpture and Dec Arts	\$	150,000	\$	250,000	JHY	DIA no. 55.522	Unknown	Wrath; Alternate Title: Ira	c. 1500/1510	Wool, silk	150 x 264 in. (381.0 x 670.6 cm)	See note for DIA 55.519
Silver	European Sculpture and Dec Arts	\$	200,000	\$	400,000	JHY	DIA no. 56.85.1	Thomas Germain	Candelabrum	1732/1734	Silver	Sight: 17.0 x 8.0 x 9.0 in. (43.18 x 20.3 x 22.8 cm)	Sotheby's NY, April 8, 2014, lot 229, \$197,000; Christie's NY, October 21, 2003, lot 335, \$298,700; Sotheby's Paris, April 18, 2012, lot 71, \$67,125.
Sculpture	European Sculpture and Dec Arts	\$	600,000	\$	800,000		DIA no. 59.123	Hubert Gerhard	Hebe	c. 1590	bronze	Overall (without base or marble socle): 24 7/16 _ 12 3/8 _ 8 1/16 inches (62.1 _ 31.4 _ 20.5 cm); Overall (including base): 30 inches _ 12 3/8 inches 8 1/16 inches (76.2	
Ceramic	European Sculpture and Dec Arts	\$	200,000	\$	400,000	JHY	DIA no. 59.124.A	Fontana Workshop	Footed Bowl; Title: Footed Bowl; Alternate Title: Broth Bowl; Alternate Title: Scodella	c. 1560/1570	Tin-glazed earthenware with enamel decoration	Cup : 4 x 5 1/2 in. diameter (10.2 x 14.0 cm); Cup and Cover : 4 1/2 x 6 7/8 in. diam. (11.4 x 17.5 cm); Overall: 5 x 8 3/8 in. diam.	Christie's London, June 4, 2013, lot 4, \$296,435; Christie's London, July 5, 2012, lot 92, \$151,710; Christie's London, July 5, 2012, lot 76, \$713,310)
Silver	European Sculpture and Dec Arts	\$	600,000	\$	800,000	JHY	DIA no. 59.18	Thomas Germain	Tureen with Lid, Liner, and Stand	1733 or 1734	silver with cast, chased, and applied decoration	Overall: 10 _ 21 1/2 _ 16 1/4 inches (25.4 _ 54.6 _ 41.3 cm)	Same comparables as DIA 55.183.A. This is more complete and has more elements. Sotheby's Paris, April 18, 2012, lot 89, \$709,645; Christie's London, July 5, 2000, lot 10, \$471,054;
Ceramic	European Sculpture and Dec Arts	\$	1,500,000	\$	3,500,000	JHY	DIA no. 59.295	Johann Gottlieb Kirchner	Joseph Froehlich, Court Jester of Augustus the Strong	1729 or 1730	glazed hard paste porcelain	Overall: 20 _ 15 1/2 _ 12 inches (50.8 _ 39.4 _ 30.5 cm)	This is unique within the corpus of Meissen, so direct comparisons are difficult. Christie's London, Dec. 18, 2006, lot 51, \$5,495,256; Christie's London, June 13-14, lot 351, \$1,224,189); Sotheby's London, May 1, 2013, lot 78, 818,500.
Ceramic	European Sculpture and Dec Arts	\$	2,500,000	\$	5,000,000	JHY	DIA no. 59.296	Johann Joachim Kaendler	Postmaster Baron Schmiedel	1739	glazed hard paste porcelain	Overall: 18 _ 14 1/2 _ 10 inches (45.7 _ 36.8 _ 25.4 cm)	As with DIA 59.295, this also is unique within the corpus of Meissen, so direct comparisons are difficult. Christie's London, Dec. 18, 2006, lot 51, \$5,495,256; Christie's London, June 13-14, lot 351, \$1,224,189); Sotheby's London, May 1, 2013, lot 78, 818,500.
Sculpture	European Sculpture and Dec Arts	\$	400,000	\$	600,000		DIA no. 61.164	Master of the Arenberg	The Lamentation; Alternate Title: The Arenberg Lamentation	between 1470 and 1480	oak with traces of polychromy	Overall (image): 34 3/4 _ 54 3/4 _ 9 3/4 inches (88.3 _ 139.1 _ 24.8 cm); Overall (pedestal (to	
Ceramic	European Sculpture and Dec Arts	\$	800,000	\$	1,500,000	JHY	DIA no. 66.17	Meissen Porcelain Manufactory	Crane; Alternate Title: Kranige, Kraniche mit dem Steine; Alternate Title: Grus grus	1735	Hard-paste porcelain	32 3/4 x 19 1/2 x 7 in. (83.2 x 49.5 x 17.8 cm)	Christie's Paris, June 22, 2005, lot 119, \$6,847,465; Christie's London, June 13-14, 2002, lot 350, \$1,548,029; Sotheby's London, May 1, 2013, lot 195, 554,500.
Furniture	European Sculpture and Dec Arts	\$	1,500,000	\$	2,500,000	JHY	DIA no. 71.196	Martin Carlin	Jewel Coffer	c. 1774	oak carcass, veneered with tulipwood, holly, ebony, kingwood, ivory, and ebony on wood	Overall: 37 3/8 _ 20 5/8 _ 13 5/8 in. (94.9 _ 52.4 _ 34.6 cm)	Christie's New York, Nov. 2, 2000, lot 200, \$1,546,000; Christie's London, June 13, 2002, lot 310, \$2,158,406; Christie's London, July 6, lot 60, \$2,971,830
Furniture	European Sculpture and Dec Arts	\$	500,000	\$	800,000	JHY	DIA no. 73.167	Pietro Piffetti	Secretary; Alternate Title: Secretary Bookcase	c. 1770	mirrors	Overall (by sight): 88 in. _ 33 3/4 in. _ 18 in. (223.5 _ 85.7 _ 45.7 cm)	This example is larger than the comps: Sotheby's London, Dec. 8, 2004, lot 19, \$437,818; Christie's London, Dec. 14, 2000, lot 325, \$404,188; Christie's London, June 13, 2002, lot 472, \$300,836.

Sculpture	European Sculpture and Dec Arts	\$	100,000	\$	200,000		DIA no. 73.254	Antonio Montauti	The Return of the Prodigal Son	1724 bronze	Overall: 24 7/8 in. _ 19 1/2 in. _ 14 in. (63.2 _ 49.5 _ 35.6 cm)
Sculpture	European Sculpture and Dec Arts	\$	150,000	\$	250,000	JHY	DIA no. 79.21	Pierre Puget	Le ravisement d'Helene; Alternate Title: The Abduction of Helen of Troy; translated: The Abduction of Helen	1683-1686 bronze	Overall: 38 1/4 inches _ 19 inches _ 16 15/16 inches (97.2 _ 48.3 _ 43 cm); Mount (pedestal): 38 1/8 _ 19 13/16 _ 19 13/16 inches (96.8 _ 50.3 _ 50.3 cm)
Sculpture	European Sculpture and Dec Arts	\$	1,000,000	\$	1,500,000		DIA no. 81.695	Giovanni Battista Foggini	Cupid and Psyche; Alternate Title: Amore e Psiche	c. 1710/1720 Bronze with brown patina and red-gold lacquer	Summary not provided
Sculpture	European Sculpture and Dec Arts	\$	800,000	\$	1,000,000		DIA no. 82.27	Giovanni Francesco Susini	Bacchus and a Young Satyr	c. 1640 Bronze	Summary not provided
Sculpture	European Sculpture and Dec Arts	\$	150,000	\$	300,000	JHY	DIA no. F76.92	Donatello	The Nativity (Ford Nativity)	c. 1420/1430 Terracotta with traces of polychromy (vermillion, malachite, azurite, lead and white) and Silver	unframed: 18 1/2 x 14 x 3 1/4 in.; 47.0 x 35.6 x 8.3 cm; Framed: 32 1/2 x 19 x 3 1/4 in.; 82.6 x 48.3 x 8.3 cm
Silver	European Sculpture and Dec Arts						DIA no. 56.85.2	Thomas Germain	Candelabrum	1732/1734	Sight: 17.0 x 8.0 x 9.0 in. (43.18 x 20.3 x 22.8 cm)

\$ - \$ - JHY

Artvest Total	
European	
Decorative Art & Sculpture	
\$	44,650,000 \$ 69,000,000

Rug Islamic Art Sculpture \$ 80,000 \$ 150,000 JHY

DIA no. 48.137

Islamic

Summer Floor Covering (nihale)

1650/1700

Cut and voided velvet; silk with metal threads (silver wrapped silk core); compound satin and velvet. Registrar's Card: Polychrome

193 x 105 1/2 in.; 490.2 x 268.0 cm

Sotheby's London, April 5, 2006, lot 51, GBP 66,000; Sotheby's Doha, March 19, 2009, Lot 315, \$206,500; Sotheby's London, April 24, 2012, lot 125, GBP 325,250. Although this textile is large,(193 x 105 1/2 inches) it is not as visually compelling as the latter two comparables.

Part of a set with 56.85.1, value information included there.

Artvest Total	\$	80,000	\$	150,000
Islamic Art				

Drawing	Prints, Drawings & Photographs	\$	1,000,000	\$	1,500,000	Sabine Wilson	DIA no. 1991.1015	Paul	Klee	Translucencies, Orange-Blue; Alternate Title: Durchleuchtungen, Orange-Blau	1915	Watercolor on off-white wove paper fully attached to a heavy paperboard support	Sheet: 7 3/8 x 9 1/8 in. (18.7 x 23.2 cm); Framed: 16 1/2 x 20 7/16 x 1 3/8 in. (41.9 x 51.9 x 3.5 cm)	Summary not provided
Drawing	Prints, Drawings & Photographs	\$	1,500,000	\$	2,000,000	Sabine Wilson	DIA no. 65.139	Paul	Cézanne	Skull and Book; Alternate Title: Vanitas; Alternate Title: Un crane	c. 1885	Watercolor over black chalk on laid paper	Sheet: 9 1/4 x 12 3/16 in. (23.5 x 31 cm.); Framed: 18 3/8 in x 24 3/8 in x 1 5/16 in.	Summary not provided
Drawing	Prints, Drawings & Photographs	\$	40,000	\$	60,000	Sabine Wilson	DIA no. 65.140	Paul	Cézanne	Slave		Graphite pencil on dark cream laid paper	Sheet: 17 3/4 x 11 1/2 in. (45.1 x 29.2 cm); Framed: 27 1/2 x 21 x 1 1/2 in. (69.9 x 53.3 x 3.8 cm)	Summary not provided
Drawing	Prints, Drawings & Photographs	\$	200,000	\$	300,000	Sabine Wilson	DIA no. 65.162	Henri	Matisse	Plumed Hat		1919 Graphite pencil on wove paper	Sheet: 20 7/8 x 14 3/8 in. (53 x 36.5 cm); Framed: 34 1/4 x 28 3/8 x 2 3/8 in. (87 x 72.1 x 6 cm)	Summary not provided
Drawing	Prints, Drawings & Photographs	\$	200,000	\$	300,000	Betty Krulik	DIA no. 70.253	Charles	Demuth	Still Life with Apples and Bananas		1925 Watercolor and graphite pencil on wove paper	Sheet: 11 7/8 x 18 in. (30.2 x 45.7 cm); Framed: 23 x 29 1/4 x 1 3/8 in. (58.4 x 74.3 x 3.5 cm)	comparable of Squash sold in 2009 for \$218K but this one more colorful and full, therefore a wider up side.
Drawing	Prints, Drawings & Photographs	\$	2,000,000	\$	4,000,000	Sabine Wilson	DIA no. 72.441	Edgar	Degas	Dancers in Repose	c. 1898	Pastel and charcoal on thin wove paper fully attached to a thin supporting sheet	Sight: 22 1/2 x 16 7/8 in in. (57.1 x 42.8 cm); Mount: 26 1/2 x 20 3/4 in. (66.7 x 52.8 cm); Framed: 34 x 27 3/4 x 2 in. (86.4 x 70.5 x 5.1 cm)	Summary not provided

Artvest Total Prints, Drawings & Photographs	\$	4,940,000	\$	8,160,000
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Artvest Total High Value Works, All Categories	\$	1,569,355,000	\$	2,290,085,000
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Exhibit B

Michael Plummer
IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

In Re:) Chapter 9

CITY of DETROIT, MICHIGAN,) Case No. 13-53846

Debtor.) Hon. Steven Rhodes

-----X

Videotaped Deposition of MICHAEL PLUMMER

Taken at: Weil, Gotshal & Manges, LLP

767 Fifth Avenue

New York, New York

Commencing at 9:03 a.m.

Friday August 1, 2014

Before Roberta Caiola

1 Michael Plummer
2 A P P E A R A N C E S:
3
4 ARTHUR H. RUEGGER, ESQ.
5 Dentons US, LLP
6 1301 K Street, N.W.
7 Suite 600, East Tower
8 Washington, D.C. 20005
9 Appearing on behalf of the
10 Retiree Committee
11
12 MICHAEL J. PATTWELL, ESQ.
13 Clark Hill, PLC
14 212 East Grand River
15 Lansing, Michigan 48906
16 Appearing on behalf of the Retirement
17 Systems for the City of Detroit
18 (Present Telephonically)
19
20 HIRAM ARNAUD, ESQ.
21 Chadbourne & Parke, LLP
22 30 Rockefeller Plaza
23 New York, New York 10112
24 Appearing on behalf of Assured
25 Guaranty Municipal Corporation
(Present Telephonically)

ALSO PRESENT:
JOSE RIVERA - Video Technician

1 Michael Plummer
2 A P P E A R A N C E S:
3
4 EDWARD SOTO, ESQ.
5 DEBORA A. HOEHNE, ESQ. (New York Office)
6 Weil, Gotshal & Manges, LLP
7 1395 Brickell Avenue, Suite 1200
8 Miami, Florida 33131
9 Appearing on behalf of Financial
10 Guaranty Insurance Company
11
12 GEOFFREY S. IRWIN, ESQ.
13 Jones Day
14 51 Louisiana Avenue, N.W.
15 Washington, D.C. 20001
16 Appearing on behalf of the Debtor
17 - and -
18 LAUREN BUONOME, ESQ.
19 Jones Day
20 222 East 41st Street
21 New York, New York 10017-6702
22 (Present Telephonically)
23 - and -
24 RICHARD LEVIN, ESQ.
25 Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, New York 10019-7475
Appearing on behalf of the
DIA Corp.

ARTHUR T. O'REILLY, ESQ.
Honigman Miller Schwartz and Cohn LLP
2290 First National Building
660 Woodward Avenue
Detroit, Michigan 48226-3506
Appearing on behalf of the
Detroit Institute of Arts

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16 Plummer, Artvest Partners,
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(Original exhibits retained by the Court
Reporter to accompany the transcript)

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Page: 81 Line: 18
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<p style="text-align: right;">Page 5</p> <p>1 Michael Plummer 2 THE VIDEOGRAPHER: This is media 3 unit number 1 in the video deposition of Michael 4 Plummer, in the matter of In Re: City of 5 Detroit Michigan, Debtor, in the United States 6 Bankruptcy Court for the Eastern District of 7 Michigan, Case Number 13-53846. 8 This deposition is being held at 9 Weil, Gotshal & Manges LLP, 767 Fifth Avenue, 10 New York, New York on August 1, 2014 at 11 approximately 9:03 a.m. 12 My name is Jose Rivera from the 13 firm of Elisa Dreier Reporting Corp., and I am 14 the legal video specialist. The court reporter 15 is Roberta Caiola, in association with Elisa 16 Dreier Reporting Corp., located at 950 Third 17 Avenue, New York, New York. For the record, 18 will counsel please introduce themselves. 19 MR. IRWIN: Geoff Irwin, with Jones 20 Day, on behalf of the City of Detroit and the 21 witness. 22 MR. O'REILLY: Arthur O'Reilly, on 23 behalf of the Detroit Institute of Arts. 24 MR. RUEGGER: Arthur Ruegger, from 25 Dentons, on behalf of the Retirees Committee.</p>	<p style="text-align: right;">Page 7</p> <p>1 Michael Plummer 2 EXAMINATION BY MR. SOTO: 3 Q. Mr. Plummer, my name is Ed Soto. 4 Could you please state your full name for the 5 record? 6 A. Michael John Plummer. 7 Q. Now I'm going to hand you what has 8 been marked as Exhibit 1. 9 (Plummer Exhibit 1, Notice of 10 Deposition, marked for identification.) 11 Q. Which is a copy of the Notice of 12 Deposition that you were served with in this 13 matter. Have you seen this before? 14 A. Yes, I have. 15 Q. Actually, I'm only giving it to you 16 because these exhibits were pre-marked, and if I 17 don't give it to you then one is out of sequence 18 and we have to re-mark them all. You might want 19 to take a quick look at it and make sure it's 20 the same notice that you received? 21 A. It looks to be the one. 22 Q. Mr. Plummer, have you ever been 23 deposed before? 24 A. No, I have not. 25 Q. Typically the way it works is I</p>
<p style="text-align: right;">Page 6</p> <p>1 Michael Plummer 2 MR. SOTO: I'm Ed Soto and this is 3 Debora Hoehne, we're here from Weil Gotshal & 4 Manges on behalf of FGIC. 5 THE VIDEOGRAPHER: On the phone? 6 MR. SOTO: Does anyone on the phone 7 want to make an appearance? 8 MR. PATTWELL: Michael Pattwell, 9 Clark Hill, on behalf of the Detroit Retirement 10 Systems. 11 MS. BUONOME: Lauren Buonome, of 12 Jones Day, on behalf of the City. 13 MR. ARNAUD: Hiram Arnaud, from 14 Chadbourne & Parke, on behalf of Assured 15 Guaranty Municipal Corporation. 16 THE VIDEOGRAPHER: Will the court 17 reporter please swear in the witness. 18 THE COURT REPORTER: Raise your 19 right hand please. Do you swear the testimony 20 that you are about to give will be the truth, 21 the whole truth, and nothing but the truth? 22 THE WITNESS: Yes, I do. 23 MICHAEL PLUMMER, having been duly sworn by the 24 Notary Public, Roberta Caiola, was examined and 25 testified as follows:</p>	<p style="text-align: right;">Page 8</p> <p>1 Michael Plummer 2 will ask you a question, the court reporter will 3 take it down, transcribe it in a magical way, 4 and then we'll wait for your answer, and she'll 5 also transcribe your answer. It has to be done 6 verbally and linear so that if I am talking I 7 have to stop, then you get a chance to talk, 8 then when you stop I get a chance to talk. 9 If I cut you off let me know, tell 10 me. I try to overcome that habit and I've done 11 a good job of it, but sometimes not, she can't 12 take two people down at the same time. 13 A. I understand. 14 Q. The other thing is I tend to be a 15 nodder, sort of a grunter and a nodder and a huh 16 guy, that's the way I naturally talk, but in 17 transcription you have to speak verbally, you 18 have to say yes, no, otherwise they won't take 19 the nod. 20 Sometimes good reporters will 21 actually say he nodded yes, at which point I 22 will say that looked like a no to me and that 23 creates the controversy, we don't want that, we 24 want a straight clean record. 25 If at any time I ask you a question</p>

2 (Pages 5 to 8)

<p style="text-align: right;">Page 9</p> <p>1 Michael Plummer 2 that you don't understand tell me. I am not an 3 expert in this area, you will soon see that, and 4 you are, or certainly purport to be. So there 5 may be some things that I am saying that you're 6 not understanding, say so, I will try to 7 rephrase it, we'll try to work at it. My goal 8 here today is to get a deeper understanding of 9 your expert report and your expert 10 qualifications and then move on from there. 11 If at any time you feel you want a 12 break you have a right to do that, just say so 13 and we'll be able to take a break, it's not a 14 marathon hopefully. It may be a marathon but it 15 certainly doesn't require no breaks. If you at 16 any time want to talk to your counsel you have a 17 right to do that as well. 18 Generally, I will ask you to finish 19 the question that's pending, but not always, so 20 just tell me if you have the urge to do that. 21 Finally, if there is anything that you find an 22 hour into the deposition well, you know, I 23 forgot a guy's name that I should have told you 24 before, feel free to say I thought about the 25 question you asked me an hour ago.</p>	<p style="text-align: right;">Page 11</p> <p>1 Michael Plummer 2 be Detroit. 3 When I refer to the DIA or the 4 museum, I'll be referring to the Detroit 5 Institute of Art Museum that's owned by the City 6 of Detroit. When I refer to the DIA Corp., 7 which I'm not sure I will, but if I do it's the 8 nonprofit DIA Corp. that runs the Detroit 9 Institute of Art. 10 Sometimes I'll refer to the art or 11 the art collection, and I know in your world 12 there are many arts and art collections, today 13 I'll be referring to the art and the art 14 collection that's stored at the DIA museum. 15 Do those make sense to you? 16 A. Yes. 17 Q. Let me get started with some 18 background on you. Where did you go to school, 19 college? 20 A. The Wharton School at the 21 University of Pennsylvania. 22 Q. That was for what degree? 23 A. A B.S. in economics. 24 Q. Did you have any other majors, 25 other than economics?</p>
<p style="text-align: right;">Page 10</p> <p>1 Michael Plummer 2 I will assume that you're answering 3 the questions based on your personal knowledge, 4 unless you tell me so. If you do tell me it's 5 not my personal knowledge I may choose to go on 6 on that basis; otherwise we'll be assuming that 7 you're answering questions based on your 8 personal knowledge. 9 Is there any reason that you can 10 think of that you wouldn't be able to give a 11 full and complete and truthful deposition here 12 today? 13 A. No. 14 Q. So throughout the deposition I'll 15 use certain terms, and I want to make sure that 16 we have sort of the same understanding of those 17 terms because some of them are fairly general, 18 and you wouldn't have that same understanding 19 unless you were embedded in this litigation like 20 some of us. 21 When I refer to the "City" I'm 22 probably going to be referring to the City of 23 Detroit. If I'm not I'll let you know I'm 24 referring to another city. In the questioning 25 when I talk about the City or the Debtor it will</p>	<p style="text-align: right;">Page 12</p> <p>1 Michael Plummer 2 A. I had a minor in English literature 3 concentration. 4 Q. When did you get your degree from 5 Wharton? 6 A. 1980. 7 Q. Did you receive any postgraduate 8 education? 9 A. No, I did not. 10 Q. Do you have any formal art 11 training? 12 A. I studied art at Penn, but I do not 13 have no other formal training. 14 Q. Do you have any formal art 15 appraisal training? 16 A. No, I do not. 17 Q. Are you a licensed or certified 18 appraiser? 19 A. I am not. 20 Q. Are there such things, licensed and 21 certified appraisers? 22 A. There are; not licensed but 23 certified. 24 Q. Do you have any other professional 25 licenses or certifications?</p>

1 Michael Plummer

2 A. I actually have a real estate
3 salesperson's license.

4 Q. Are you a member of any
5 professional organization?

6 A. I am a founder of the Art
7 Investment Council.

8 Q. What is the Art Investment Council?

9 A. The Art Investment Council is a
10 not-for-profit group that promotes best
11 practices in the art investment industry in art
12 investment.

13 Q. When did you start?

14 A. In 2010 I believe, some time in
15 that time frame.

16 Q. Why did you start it?

17 A. My business partner and I started
18 it because we felt that there was a need for
19 this because there was a lot of misinformation
20 about art investment, and we started it to
21 create a place to exchange knowledge and raise
22 the standard of practices and discussion about
23 art investment.

24 Q. How many members does the art
25 investment council have?

1 Michael Plummer

2 A. I don't remember exactly. It may
3 be about 20 something.

4 Q. Are these scattered around the
5 country?

6 A. No, it's focused here in New York
7 City.

8 Q. How often does the Art Investment
9 Council meet?

10 A. We have not had meetings for about
11 a year because my partner and I have had other
12 obligations.

13 Q. When you refer to your partner who
14 are you referring to?

15 A. His name is Jeff Rabin who
16 co-founded Artvest Partners with me.

17 Q. Have you through the Art Investment
18 Council promulgated any standards for art
19 investment?

20 A. Promulgated standards, no; but we
21 have discussed issues like transparency and art
22 investment fund practices and other things.

23 Q. Have you published anything through
24 the Art Investment Council?

25 A. I don't believe so.

1 Michael Plummer

2 Q. Do you have a site online or
3 anything like that?

4 A. We do have a website.

5 Q. What's that website?

6 A. I think it is the
7 ArtInvestmentCouncil.com.

8 Q. Do you believe that any of your
9 work with the Art Investment Council is relevant
10 in connection with your proposed testimony in
11 this action, the Detroit bankruptcy proceedings
12 that we're here on for this deposition?

13 A. I think the experience that led to
14 my founding the Council is relevant.

15 Q. In what way?

16 A. In my knowledge of art investment
17 and my understanding of the art world and my
18 understanding of practices around that.

19 Q. I think we'll get to that during
20 this deposition, if we don't we can come back to
21 it.

22 A. Okay.

23 Q. What about your employment history.
24 After college, where did you first work?

25 A. I started at Sotheby's in the

1 Michael Plummer

2 treasury department.

3 Q. What does the treasury department
4 at Sotheby's do?

5 A. The treasury department extended
6 credit and approved buyers. My job was an
7 account manager and I managed relationships with
8 dealers, meaning members of the trade and
9 clearing them for trade credit, collecting money
10 from them.

11 Q. How long --

12 A. Sorry, also managing an art loan.

13 Q. That's interesting. How does one
14 manage an art loan?

15 A. You make interest calculations, you
16 manage the inventory, you make sure that
17 insurance payments are made by the dealers, you
18 manage sales of property to pay down principal,
19 you do inventories of the collection that are
20 held in-house.

21 Q. How does it work, does a person get
22 a loan based on the art as collateral, is that
23 essentially it?

24 A. Yes, correct.

25 Q. Who holds the collateral?

1 Michael Plummer
 2 A. Generally speaking, in this case it
 3 is the auction house or the lender.
 4 Q. So how long were you employed in
 5 Sotheby's treasury department?
 6 A. I think probably about 3-1/2 years.
 7 Q. What department did you move on to
 8 after that?
 9 A. I moved on to become being the
 10 business manager for the Asian Art division.
 11 Q. What were your duties as the
 12 business manager of the Asian Art division?
 13 A. Basically, there were many duties,
 14 but the most important one was doing financial
 15 forecasts for the company, for that area of the
 16 company. So I would work with the specialists
 17 and get their estimates for upcoming sales, and
 18 then work with them to set the values of those
 19 sales on which the business would make its
 20 decisions for operating expenditures and
 21 financial forecasts. It was not dissimilar to
 22 working with a group of experts on an appraisal.
 23 Q. In connection with your work as the
 24 business manager did you perform appraisals?
 25 A. No, I did not.

1 Michael Plummer
 2 Q. Did you work with people who
 3 performed appraisals?
 4 A. I did.
 5 Q. Did you manage them?
 6 A. I did manage them, yes.
 7 Q. Was that your first experience
 8 working with art appraisers?
 9 A. Well, as an account manager in the
 10 treasury department I also had a close
 11 relationship with the experts. So I did work
 12 with them in that capacity as well.
 13 So, for instance, with that art
 14 loan that was reliant on appraisal of that art,
 15 and those appraisals had to be updated and I had
 16 to get those appraisals from the experts.
 17 Q. The experts are the appraisers?
 18 A. Yes.
 19 Q. You call them the experts. Is that
 20 what they're called in the industry?
 21 A. Well, they used to be called that
 22 and I still hold on to that old terminology;
 23 they now call them specialists.
 24 Q. That's interesting, the experts.
 25 Nobody calls me that. Let's see, where were we.

1 Michael Plummer
 2 So you were the business manager
 3 overseeing the Asian Art for how long?
 4 A. I believe it was around three
 5 years.
 6 Q. After your term as the business
 7 manager of Asian Art what was your next job at I
 8 guess Sotheby's?
 9 A. I moved over to the real estate
 10 division and worked closely with the CEO and CFO
 11 of Sotheby's to restructure the real estate
 12 company.
 13 Q. What was the year you moved over to
 14 the real estate division?
 15 A. I haven't looked at my resume for a
 16 while, but I think it was maybe '88, somewhere
 17 around there.
 18 Q. So working backwards, it would have
 19 been about '85 that you began at Asian Art?
 20 A. Yeah. Asian Art was not just Asian
 21 Art, it was also books and manuscripts and other
 22 departments, but it was called the Asian Art
 23 division; it was a catchall for various
 24 categories.
 25 Q. Those categories included what

1 Michael Plummer
 2 forms of art?
 3 A. They included Asian Art, Ancient
 4 Art, African Art, what was then called Arcade,
 5 books and manuscripts, prints, photographs; so
 6 it was a rather large part of the company.
 7 Q. What does Arcade include?
 8 A. Arcade was the low end sales area
 9 of the business.
 10 Q. What does that mean, the low end
 11 sales area?
 12 A. It was, you know, estate property
 13 that was a catchall. It was stuff that was not
 14 put in dedicated specialist sales.
 15 Q. So then it would have been about
 16 '82 when you were starting at the treasury
 17 department?
 18 A. No, it was 1980.
 19 Q. So it was '80?
 20 A. The fall of 1980.
 21 Q. If that was '80, then it would have
 22 been about '83 that you started in the Asian Art
 23 division?
 24 A. Maybe towards the end of '83.
 25 Q. Okay. Then you were there three

1 Michael Plummer
 2 years so it could have been '87, '88 that you
 3 started at Sotheby's?
 4 A. Yeah, that sounds about right.
 5 Q. What did you do in '87, '88 for the
 6 real estate division?
 7 A. It was actually up through '91. I
 8 worked, as I said closely, with the CFO and the
 9 CEO of Sotheby's to restructure the real estate
 10 company in preparation for Sotheby's going
 11 public. It was critical that it be turned into
 12 a profit-making company after many years of not
 13 being successful.
 14 So we were a small team that turned
 15 it around and made it into a profitable venture,
 16 and created the business model under which it
 17 still operates today.
 18 Q. What is that business model?
 19 A. Well, I don't want to get into
 20 revealing too much proprietary information, but
 21 it was a restructuring of its licensing model
 22 and its local brokerage operations and how they
 23 function.
 24 Q. When you were with the real estate
 25 division of Sotheby's from 1987 or '88 through

1 Michael Plummer
 2 1991, did you work with art appraisers?
 3 A. During that period, no.
 4 Q. Did you do any art appraisal
 5 yourself during that period?
 6 A. No.
 7 Q. So after 1991 and your work with
 8 the real estate division of Sotheby's, what did
 9 you do next?
 10 A. I then was recruited back to the
 11 auction company to help them get control of
 12 their expenses in marketing in light of the
 13 recession that we were in, and I was ultimately
 14 put in charge of marketing.
 15 Q. Did you call it the auction
 16 division?
 17 A. Well, it was the auction company,
 18 the auction subsidiary.
 19 Q. What was the role of the auction
 20 subsidiary?
 21 A. To sell art. I was managing the
 22 marketing department, initially certain aspects
 23 of it and ultimately the entire department which
 24 promoted the sales, the auction sales.
 25 Q. What were your duties when you went

1 Michael Plummer
 2 back to the auction subsidiary in connection
 3 with the marketing; what marketing functions did
 4 you do?
 5 A. Managing sales, I'm sorry, managing
 6 advertising, managing the production of
 7 catalogs, managing the subscriptions, managing
 8 promotion, managing marketing relationships with
 9 all of the specialists and their plans for their
 10 various auctions.
 11 Q. In connection with tasks that you
 12 just described, the advertising, the catalogs,
 13 the subscriptions, the promotion and the
 14 marketing relationships with specialists; which
 15 of those tasks would you say put you in closest
 16 contact with appraisal of artwork?
 17 A. I did not -- that was -- appraising
 18 was not part of my career at that point.
 19 Q. When you went back to the auction
 20 company in '91, how long did you stay in the
 21 management of the marketing of that department?
 22 A. Until the end 'of 95.
 23 Q. So from '91 to '95 you managed the
 24 marketing department of the auction subsidiary?
 25 A. As I said, initially in '91 I

1 Michael Plummer
 2 managed certain departments in marketing. By
 3 '93 or so I was in charge of the division.
 4 Q. During that entire period of time,
 5 those four years, you were not involved in any
 6 art appraising, is that correct?
 7 A. No, I was not.
 8 Q. You didn't oversee any art
 9 appraisers at that time?
 10 A. No, I did not.
 11 Q. During that period -- well, let's
 12 keep going. What did you do next?
 13 A. Well, I mean what I did do was
 14 oversee budgets related to the marketing and the
 15 sales, and worked with the business managers of
 16 which I was one, which was a critical part of
 17 the cost control. It was very critical to that,
 18 that I was on top of what the sales were and the
 19 sales forecasting, because the marketing
 20 expenses were closely related to the anticipated
 21 sales results, which goes back to the forecasts
 22 done with the experts. So I was working closely
 23 with the experts and their valuations.
 24 Q. Their overarching evaluations?
 25 A. They are both overarching and also

1 Michael Plummer
2 on an individual basis, because individual works
3 of art can have a significant impact on the
4 sale.

5 You get one or two objects or a
6 certain collection and then you have to do
7 marketing around those collections based on the
8 values that are put on them.

9 Q. Did you ever get involved in
10 directing a specialist, and again I'll use the
11 same terms you're using; but for the purposes of
12 this record whenever we use specialist or
13 sometimes experts we'll be referring to
14 appraisers, correct?

15 That works for me if that works for
16 you.

17 A. I don't know. Even at an auction
18 house I wouldn't refer to a specialist as an
19 appraiser. They do appraisal work, but their
20 primary job is as a specialist filling sales.
21 So I'm not sure if that does work.

22 Q. Okay. Then maybe you can explain
23 it to me. Are there below the specialists who
24 or working with the specialists, and I don't
25 know why I said below, it could be sideways,

1 Michael Plummer
2 upwards, I don't care.

3 Are there people who work with
4 specialists whose main job is the appraisal of
5 art?

6 A. Both Sotheby's and Christie's have
7 appraisal departments that manage the
8 appraisals, and they often have generalists in
9 those departments that do preliminary appraisal
10 work, and then they take that work to the
11 specialists in the various departments and get
12 them to opine and final size valuations.

13 Q. So, if I'm misunderstanding you let
14 me know. So there would be a specialist in a
15 given genre of art, correct?

16 A. Yes.

17 Q. That specialist could go to someone
18 at Sotheby's, since we're working through your
19 period at Sotheby's so let's use that as an
20 example, someone at the Sotheby's appraisal
21 group?

22 A. Right.

23 Q. And say we're looking at a certain
24 piece of art in this genre, do you have a person
25 whose area of specialty in this genre to

1 Michael Plummer
2 appraise this art, is that how it would work?

3 A. Take for example an antiquity
4 collection, there would be a generalist who
5 would have done some preliminary work in the
6 appraisals department, and then they would go to
7 the specialist in antiquities and then walk
8 those numbers, those items, item by item or
9 leave it on their desk and pick it up later,
10 depending on the situation and the relationship
11 with that specialist.

12 Q. Would the generalist in your mind
13 be considered an appraiser?

14 A. Yes, sometimes; sometimes not.

15 Q. When would he be considered an
16 appraiser?

17 A. Well, if he had done other
18 appraisals and had been hired for that purpose.
19 There might also be a junior person who might be
20 in training.

21 Q. So if you went to the appraisal
22 department at Sotheby's and talked to a
23 generalist, would you consider that person an
24 appraiser?

25 A. Possibly.

1 Michael Plummer

2 Q. Again, what would the possibilities
3 be?

4 Sometimes they wouldn't be an
5 appraiser?

6 A. Depending on who you're talking to
7 in the department it could be -- you have a
8 department that has different staffs so there
9 could be an administrator there, there could be
10 a secretary.

11 Q. The specialists that you referred
12 to in your description, your example, so the
13 generalist may or may not be an appraiser and
14 then he goes and he talks to a specialist. Is
15 that specialist an appraiser?

16 A. Again, I think that I would refer
17 to them as a specialist, not an appraiser,
18 because their primary job is not doing
19 appraisals, it's filling a sale, but they do do
20 appraisal work.

21 Q. The reason why you go to that
22 specialist is because they have specialized
23 knowledge about the value of that art?

24 A. Correct.

25 Q. The specialized knowledge of the

1 Michael Plummer
2 value of that art would be used in forming the
3 appraisal, correct?
4 A. Correct.
5 Q. So you were in marketing and had
6 the relationships that you just described in
7 your marketing period of '91 to '95. What
8 happened next?
9 A. I left Sotheby's to run the U.S. --
10 the sales area of the U.S. division of
11 Acoustiguide, which was at the time the leading
12 audio tour provider to museums like the
13 Metropolitan Museum of Art, MoMA, the Boston
14 Museum of Fine Arts.
15 All were clients of mine and I
16 developed relationships with all of those
17 museums and worked with them on their
18 exhibitions, their temporary exhibitions and
19 their tours for their permanent collections.
20 Q. That was called Acoustiguide?
21 A. Acoustiguide, yeah.
22 Q. Can you spell that for the record?
23 A. A-c-o-u-s-t-i-g-u-i-d-e.
24 Q. So you worked with Acoustiguide for
25 how long, from '95 to '96?

1 Michael Plummer
2 A. For one year.
3 Q. During that year with Acoustiguide
4 did you do any art appraisal?
5 A. No.
6 Q. Did you work with any art
7 appraisers?
8 A. No.
9 Q. You mentioned that you had gotten
10 to know people at various museums.
11 Did you get to know anybody at the
12 Detroit Institute of Art?
13 A. No, they were not a client.
14 Q. So after '96 what did you do?
15 A. I went to work with a group called
16 Carbone Smolan Agency that we did the -- they
17 had worked with -- I had hired them to do the
18 re-branding of Sotheby's, when I was running
19 marketing at Sotheby's, and I worked with them
20 on a number of branding projects for financial
21 firms, as well as re-branded Christie's.
22 Q. Can you spell the name of that
23 company for the record he were?
24 A. Carbone, C-a-r-b-o-n-e; Smolan,
25 S-o-m, sorry, S-m-o-l-a-n Agency.

1 Michael Plummer
2 Q. How would you describe the work
3 that they do, are they just re-branding
4 specialists?
5 A. Re-branding marketing and design
6 communications.
7 Q. How long were you with them?
8 A. Approximately three years.
9 Q. So until about '99?
10 A. Yeah, that sounds right.
11 Q. During that period from '96 to '99,
12 or those three years, did you work on any art
13 appraisal projects?
14 A. I did not, but I did work closely
15 with Christie's and Christie's senior
16 management.
17 Q. What was your work with Christie's?
18 A. I was working with them to help
19 them determine what identity they wanted for the
20 company and how they were re-envisioning the
21 company for the future. So I worked closely
22 with the CEO and president, and even at one
23 point the new owner, Mr. Pinault.
24 Q. Can you spell his name for the
25 record?

1 Michael Plummer
2 A. Pinault, P-i-n-a-u-l-t.
3 Q. You mentioned the CEO and the
4 president. Who was the CEO?
5 A. Christopher Davidge.
6 Q. Who was the president?
7 A. Patty Hambrecht.
8 Q. Your work with them, did it involve
9 any art appraisals?
10 A. No, it did not.
11 Q. So we're now up to '99?
12 A. Um-hum.
13 Q. Where did you go after that?
14 A. I became -- I was self-employed. I
15 founded a company to create an online trading
16 platform.
17 Q. What was the name of that company?
18 A. It was called -- ultimately it was
19 called Art Base, Inc.
20 Q. How long did you do that?
21 A. For about three years.
22 Q. So until about 2002?
23 A. 2003.
24 Q. 2003. During your period of time
25 with Art Base, Inc. were you involved in any art

1 Michael Plummer
 2 appraisal projects?
 3 A. Well, I did do due diligence on an
 4 appraisal company to buy it. It was actually
 5 founded by a member of the triple A and was
 6 designed to create online appraisal businesses,
 7 do online appraisals. It was in financial
 8 distress and it was brought to me as something
 9 to buy. So I got -- you know, did a lot of due
 10 diligence on the appraisal industry at the time,
 11 as well as that company in particular.
 12 Q. The name of that company was?
 13 A. Eppraisals.
 14 Q. E dash praisals?
 15 A. I can't remember, it's been a
 16 while.
 17 Q. Eppraisals was a company that you
 18 said was founded by a member of the triple A?
 19 A. I believe so.
 20 Q. And what's the triple A?
 21 A. The Appraisals Association of
 22 America -- Appraisers Association of America.
 23 Q. The Appraisers Association of
 24 America, is that involved in the appraisal of
 25 art?

1 Michael Plummer
 2 A. Yes.
 3 Q. Is that strictly involved in the
 4 appraisal of art?
 5 A. I believe so.
 6 Q. Did you end up buying Eppraisals?
 7 A. No, I did not.
 8 Q. How long did you do the due
 9 diligence on that?
 10 A. Several months.
 11 Q. Would you say three to four months?
 12 A. Possibly.
 13 Q. Any more?
 14 A. I don't remember, it's a long time
 15 ago.
 16 Q. So other than that three or
 17 four-month due diligence with Eppraisals, did
 18 you have anything to do with art appraisals in
 19 connection with Art Base, Inc.?
 20 A. I do not have -- I did not work on
 21 any appraisals, but I had a number of clients at
 22 Art Base, Inc. who were collectors and dealers
 23 with whom I was very involved in their
 24 collections and their inventories.
 25 Q. So what was Art Base, Inc.; would

1 Michael Plummer
 2 you try to sell art online, buy art online; what
 3 would you do?
 4 A. That was its ultimate ambition. It
 5 was a software program that collectors and
 6 dealers used, as well as a database of art
 7 prices which was used by appraisers, which is
 8 why the Eppraisals company was a logical fit, it
 9 made sense logically.
 10 Q. Did you develop the software
 11 program?
 12 A. No, I did not.
 13 Q. Who did?
 14 A. I don't remember.
 15 Q. When you formed the company did you
 16 acquire the software program?
 17 A. Which software program are you
 18 referring to?
 19 Q. I asked you what Art Base, Inc.
 20 does and you said its goal was to buy and sell
 21 art, but initially it was a software program?
 22 A. Yes. Okay. You're referring to
 23 the Art Base software, I was not sure if you
 24 were referring to that or Eppraisals. I did not
 25 write that software though.

1 Michael Plummer
 2 Q. Did Art Base, Inc. own the
 3 software?
 4 A. It did, yeah.
 5 Q. What ultimately -- you said you
 6 worked with collectors and dealers. In your
 7 work with collectors and dealers did you do any
 8 appraisals for them?
 9 A. No, I did not.
 10 Q. Did you work on any appraisal
 11 projects for them?
 12 A. No, I did not.
 13 Q. Did you ultimately sell Art Base,
 14 Inc. or did it just close down?
 15 A. We made a deal with the founders to
 16 return it back to them.
 17 Q. The founders of Art Base, Inc., was
 18 that a company?
 19 A. Yes, it was a company.
 20 Q. What was that company, the
 21 founders?
 22 A. Their company was originally called
 23 Art Base without the ink.
 24 Q. Were they based here in New York?
 25 A. Yes.

1 Michael Plummer
 2 Q. Are they still in business?
 3 A. Yes, they are.
 4 Q. Do they have a website?
 5 A. Yes, they do.
 6 Q. Do you know the site?
 7 A. I think it's Art Base. I don't
 8 know, I haven't been there for years.
 9 Q. ArtBase.com?
 10 A. Probably, possibly.
 11 Q. After 2003 what did you do?
 12 A. In 2003 I joined a company called
 13 Fernwood Art Investments as the chief operating
 14 officer and president.
 15 Q. That's F-e-r-n-w-o-o-d. So Exhibit
 16 B to your report, your CV says that you were
 17 there from 2003 to 2006?
 18 A. That sounds right, yes.
 19 Q. Were you the CEO?
 20 A. I was the president and COO.
 21 Q. Who was the CEO?
 22 A. A man by the name of Bruce Taub.
 23 Q. In your work as the president and
 24 COO of Fernwood did you do any work in art
 25 appraisals?

1 Michael Plummer
 2 A. No, we did not do art appraisals,
 3 but we did some of the most I would say
 4 pioneering work in analysis of the art sectors
 5 and their behavior over the previous 25 years,
 6 which was considered groundbreaking at the time.
 7 Q. By the way, just so you know, this
 8 is her typing so I get to read it if I can't
 9 remember exactly what you said. There's no
 10 special tool here other than her typing.
 11 So when you refer to your
 12 pioneering work and analysis in the art sectors,
 13 what are you referring to?
 14 A. I'm referring to a report that we
 15 issued with our in-house economist which
 16 described the performance of the different
 17 sectors of the art market, which I refer to in
 18 my expert report, such as the American Art
 19 sector, the Impressionist and Modern Art sector,
 20 those various sectors, and their behavior over
 21 time, their growth in value, their decrease in
 22 value, their investment attributes, their
 23 volatility, their performance against the stock,
 24 the equity markets, the S&P, other such things,
 25 and their viability as investments and their

1 Michael Plummer
 2 volatility.
 3 Q. So in connection with that study,
 4 the report that you just referred to in your
 5 testimony, did you determine that there were
 6 certain genres of art that were more volatile in
 7 terms of --
 8 A. We did.
 9 Q. In terms of the nature of the
 10 investment?
 11 MR. IRWIN: Let him finish his
 12 question.
 13 Q. In doing that study or making that
 14 determination, did you work with art appraisers?
 15 A. We worked with art specialists who
 16 did appraisal work from time to time.
 17 Q. Those art specialists that did
 18 appraisal work from time to time, what
 19 information did they give you that was
 20 ultimately used in your report?
 21 A. They helped us choose the artists
 22 who are used as part of the indices that we
 23 created; they validated the results of the
 24 report; they were a sounding board and quality
 25 check to the process.

1 Michael Plummer
 2 Q. In validating the results, what are
 3 you referring to there?
 4 A. Well, for example, we had signed up
 5 as our expert team some of the leading dealers
 6 in the industry. Take for example David Nash
 7 who was a -- is a leading impressionist and
 8 modern dealer, we would share the information we
 9 compiled and our analysis, and he had been in
 10 the industry at that time, he had run the
 11 department at Sotheby's for 30 some years, and
 12 he would validate the conclusions that we were
 13 coming to, as would various other specialists in
 14 those various categories.
 15 Q. Would you consider David Nash a
 16 specialist who you believe does appraisals?
 17 A. I think he has done appraisals from
 18 time to time, but his core work is running his
 19 gallery and selling art; but he is one of the
 20 most knowledgeable people that I would turn to
 21 for that sort of information.
 22 Q. In connection with your report on
 23 volatility or your report in general, which
 24 included some information on volatility; did you
 25 update that report over the years?

1 Michael Plummer
2 A. I did in a different form when I
3 moved to Christie's. We used that work at
4 Christie's as the foundation for our work for
5 creating an art fund with Goldman Sachs and used
6 that work, shared that work with Goldman Sachs
7 who vetted it.

8 Q. I'll get to that chronologically as
9 we move on.

10 A. Sure.

11 Q. The first report came out in what
12 year?

13 A. Maybe 2004 or '05.

14 Q. When did you update it?

15 A. Probably 2007, '08.

16 Q. So you updated it after you left
17 Fernwood?

18 A. Yes.

19 Q. In connection with the work you
20 just described that you did the Fernwood, you
21 created this pioneering report. What else did
22 you do?

23 A. We also structured two art funds
24 and I hired the specialist staff for Fernwood,
25 who were the advisors to Fernwood on -- would

1 Michael Plummer

2 A. Yes.

3 Q. Is that the typical cycle that you
4 need to hold art in order to make the kind of
5 profits you're looking for?

6 A. Some would hold it for longer.
7 There were constraints on investor expectations
8 on getting returns, so we went out with five to
9 eight years for marketing purposes, but we had
10 the ability to extend the holding period to
11 maximize returns.

12 Q. In your first art fund how much did
13 you raise?

14 A. We didn't because the art fund ran
15 into trouble.

16 Q. What was that?

17 A. I uncovered malfeasance on the part
18 of the CEO, that he had taken investor funds
19 from the company and used them for his personal
20 means.

21 Q. This is the company Fernwood?

22 A. Yes.

23 Q. So the first art fund you formed
24 didn't really get off the ground?

25 A. No.

1 Michael Plummer
2 have been for the purchases of art for the fund.

3 Q. Let's break that down. So you
4 structured two art funds?

5 A. Right.

6 Q. Let's just take them one at a time.
7 What was the first?

8 A. The first was a sector fund which
9 was devised to invest across the different
10 sectors of the art market, from Old Master
11 paintings up through emerging contemporary art.

12 Q. An art fund is essentially what, a
13 collection of funds that is intended to be
14 invested in art?

15 A. They can take many forms, but in
16 this instance it was a fund devised to accept
17 investments at a minimum of \$250,000 up to I
18 think 1 million. That would be put into a pool,
19 that would be used to invest art and the art
20 would be held or was anticipated to be held for
21 about five to eight years.

22 Q. And then to be sold off for profit?

23 A. Correct.

24 Q. How long did you say? I should be
25 able to find it here, five to eight years?

1 Michael Plummer

2 Q. What about the second one?

3 A. The company went under. There two
4 funds at that time, we had gotten an approval
5 from Merrill Lynch and gone through due
6 diligence with them, but unfortunately I
7 uncovered the malfeasance on the part of the CEO
8 and collectively myself and the specialists
9 resigned from the company.

10 Q. So neither of the art funds that
11 you formed really got off the ground?

12 A. No.

13 Q. You have to say more than nod?

14 A. Okay. No.

15 MR. SOTO: We've been going about
16 an hour, do you want to take a break?

17 THE WITNESS: Yes, sure.

18 THE VIDEOGRAPHER: The time is 9:52
19 a.m., and we're going off the record.

20 (Off the record)

21 THE VIDEOGRAPHER: The time is
22 10:03 a.m., and we are back on the record.

23 BY MR. SOTO:

24 Q. Mr. Plummer, I was interested in
25 your description of the work that you had done.

1 Michael Plummer
 2 Is there a way I can get a copy of
 3 that report that you referred to, the pioneering
 4 report?
 5 A. I don't know. I'd have to look for
 6 it, it's quite old.
 7 Q. It depends what you mean by old.
 8 It should be somewhere around 2004 or 2005, so
 9 it would be about a decade old maybe?
 10 A. Yeah, but a lot of the firm's stuff
 11 is in storage or disappeared because it went out
 12 of business.
 13 Q. So you didn't keep a copy of the
 14 report?
 15 A. I may have a copy somewhere, I
 16 would have to look for it.
 17 Q. If you could I would appreciate it,
 18 and I'll contact Geoff to see if we can get a
 19 copy of it.
 20 Again, you said it was updated
 21 sometime around 2008 when you were working with
 22 Christie's, correct?
 23 A. Correct.
 24 Q. If you can't find the original one,
 25 maybe if you can find a copy of the updated one?

1 Michael Plummer
 2 A. Well, the updated one was
 3 Christie's information that was not issued
 4 publicly, but used for its clients.
 5 Q. So we can probably ask someone at
 6 Christie's to see if they have a copy of it,
 7 correct?
 8 A. You could. I'm not sure if they
 9 kept records of that stuff.
 10 Q. Who did you work with when you were
 11 at Christie's?
 12 A. I worked with Jane Chesworth who
 13 was then the COO. She has now left and Steven
 14 Mendel who has also departed.
 15 Q. Did you ever work with an
 16 individual named Paul Provost?
 17 A. At Christie's, yes.
 18 Q. Would he have been knowledgeable
 19 about the updated report that you were referring
 20 to in your testimony?
 21 A. I don't know.
 22 Q. So we will be sure to ask him.
 23 Moving on.
 24 So the two structured art funds
 25 that didn't get off the ground were one thing

1 Michael Plummer
 2 you did during your period at Fernwood. What
 3 else?
 4 A. As I said, I believe I said I hired
 5 the specialist team that we were employing to
 6 make the selections for the art investment, to
 7 work with us.
 8 Q. That was when you started there in
 9 2003 that you started to hire the team?
 10 A. Um-hum.
 11 Q. How many people were in that team?
 12 A. I believe it was around eight or
 13 nine.
 14 Q. These eight or nine specialists as
 15 I refer to them, were any of them appraisers?
 16 A. I think some of them did appraisal
 17 work from time to time, but more importantly
 18 they were transactional experts in that they
 19 were deeply embedded in the industry and had a
 20 lot of transactional experience, knew how to
 21 establish values for investing in art.
 22 Q. When you say "establish values for
 23 investing in art," what do you mean?
 24 A. I mean making sure that we were
 25 purchasing art that was at the right price that

1 Michael Plummer
 2 the works would appreciate and give a return to
 3 investors.
 4 Q. How do you establish values for
 5 investment in art, what's the first step that
 6 you take?
 7 A. Well, it's very similar to the
 8 appraisal process, you would look at
 9 comparables.
 10 Q. So you would start by looking at
 11 comparables. Then what else would you do?
 12 A. You would, well you'd look at the
 13 subject work and you would examine it closely to
 14 determine if it was what it purported to be, or
 15 reported to be. Then you might have a
 16 discussion, or might not depending on the
 17 circumstances, with others in the industry about
 18 information that might not be publicly
 19 available.
 20 Q. What type of information?
 21 A. Other items that might be for sale
 22 other places or on consignment, or might just
 23 have been sold but not reported publicly.
 24 Q. So other sales?
 25 A. Other sales, other pending sales or

1 Michael Plummer

2 other consignments of similar works.

3 Q. When you use the word consignment
4 can you tell the Court what you're referring to?

5 A. Consignment is when a work of art
6 is given to a dealer or an auction house to be
7 sold, but the ownership of it is still retained
8 by the original owner and the title does not
9 pass until a bill of sale happens or an auction
10 occurs and the hammer falls.

11 Q. So in connection with establishing
12 value they would look at some comparables, they
13 would validate that the work is authentic I
14 assume is what you were saying?

15 A. Yes.

16 Q. And then they would look at other
17 sales that might not be public or other pending
18 consignments?

19 A. Correct.

20 Q. That's the work of the specialists
21 that you referred to?

22 A. Right.

23 Q. How would you distinguish that from
24 the work of an appraiser?

25 A. I don't know that there is much to

1 Michael Plummer

2 distinguish except that they're not issuing an
3 appraisal report, but they are doing a valuation
4 that is critical to making and spending money,
5 making an investment on a work of art.

6 What they're not doing is making
7 any distinctions between fair market value or
8 other such things.

9 Q. I see the distinction. So one of
10 the distinctions is they're not preparing an
11 actual appraisal report?

12 A. Correct.

13 Q. The other one would that they're
14 not making distinctions in a form of appraisal,
15 for example, a fair market value appraisal or an
16 auction estimate appraisal?

17 A. Correct.

18 Q. But other than that they're valuing
19 the art in similar fashion, correct?

20 A. They are actually establishing a
21 fair market value, they're just not labeling it
22 such and they're not issuing a report labeling
23 it as such.

24 Q. Understand. So we are somewhere in
25 2000, we're back at Sotheby's. Where are we, at

1 Michael Plummer

2 2003 maybe. No, 2006. You're done at Fernwood.
3 Where do we go in 2006?

4 A. In 2006 I had a certain number of
5 months off because Fernwood collapsed
6 unexpectedly, but then I was hired by
7 Christie's. They had been fascinated by -- the
8 CEO of Christie's had been fascinated by the
9 work I had been doing at Fernwood and they hired
10 me to bring that over to Christie's and develop
11 an art fund and an art lending business for
12 Christie's, because Christie's had not had an
13 art lending business prior to that even though
14 Sotheby's had.

15 Q. So in 2006 or so when you went to
16 Christie's they didn't have any art funds?

17 A. No.

18 Q. And they didn't have any art
19 lending business?

20 A. No. They did have some art loans,
21 but it was one-off situations and done for
22 client relations, but they did not have an art
23 lending business.

24 Q. So when you got to Christie's what
25 department did they put you in or what did you

1 Michael Plummer

2 do?

3 A. It was a new division that I was
4 hired to create and it was called Christie's
5 Financial Services, and I was made Senior Vice
6 President and Chief Operating Officer of the new
7 division.

8 Q. Senior VP and COO?

9 A. Um-hum.

10 Q. What were your responsibilities as
11 the senior VP and chief operating officer of
12 Christie's financial services?

13 A. I had two different branches of
14 responsibilities. One was to implement a best
15 practices for underwriting art loans, also
16 overseeing the adoption of KYC, know your client
17 practices, and developing relationships with
18 potential lending partners, other banks that
19 would provide credit to use for the loans.

20 Then on the other side I was -- the
21 other main division of responsibility was
22 developing an art fund or a series of art funds
23 for Christie's, in partnership with Goldman
24 Sachs.

25 Q. In terms of your first area of

1 Michael Plummer
2 responsibility you mentioned implementing best
3 practices.

4 What were those best practices?

5 A. Well, they were -- they were
6 understanding the art as collateral. Christie's
7 was used to using art for auctions, but it was
8 working with them and their appraisals
9 department and their specialists to develop the
10 right kind of approach to doing valuations for
11 art loans.

12 Because when an auction house does
13 an art loan they're doing it, what you would
14 call it's a non-recourse loan in effect; so they
15 have to be certain that they have setting the
16 right values on the property so that if they
17 have to liquidate it they won't take a loss.

18 It's a little bit different than
19 doing a general appraisal or an auction
20 estimate, because there is a higher level of
21 risk for the auction house.

22 Q. The higher level of risk is that
23 you could sell the art; you might not get the
24 value of the loan and you have no recourse
25 against the individual?

1 Michael Plummer

2 A. Correct.

3 Q. So all of the loans that you were
4 working with were non-recourse to the individual
5 borrower?

6 A. They might have recourse language
7 in them, but the effect is if they were
8 borrowing from an auction house, often the
9 reality is that it is non-recourse.

10 Q. Because they don't have resources
11 to back anything, is that your point?

12 A. Correct.

13 Q. You say you worked with the
14 appraisal department and the specialists in
15 connection with formulating these best
16 practices.

17 What input did the appraisal
18 department or specialists have with respect to
19 the best practices?

20 A. Well, we were more or less telling
21 them what we needed from them, how they needed
22 to be different. They weren't really giving
23 input back to us, except that they were worried
24 about their additional workload and staffing
25 needs, but we were telling them how we needed

1 Michael Plummer
2 them to do things for us.

3 Q. What would you need from the
4 appraisal department for an art loan that was
5 different than, for example, what the appraisal
6 department would do for an auction?

7 A. In terms of -- I think I just said
8 that it was -- they would need to consider the
9 fact that in their evaluation that they were
10 secure that they were giving a low and
11 conservative valuation in the event that if a
12 work defaulted or if the borrower defaulted that
13 Christie's would get its money back.

14 Q. So, in essence, you were telling
15 them that look, in connection with the work you
16 were doing with us on art loans, you have to be
17 very conservative in your estimates?

18 A. Correct.

19 Q. Any other differences?

20 A. Well, and if you think it won't
21 sell or it has potential to buy in we need to
22 know that, or a high potential to buy in.
23 Whereas, if Christie's is valuing property for
24 any auction house for a seller and that property
25 doesn't sell there is no risk to Sotheby's or

1 Michael Plummer

2 Christie's, it's the seller's risk. So it's --

3 Q. So the first -- finish, I'm sorry.

4 A. So it's just a different
5 consideration.

6 Q. I want to make sure I understand.
7 So one of the differences is there's a higher
8 risk, and you wanted to make sure the appraisers
9 were being conservative in their estimates
10 because of the higher risk?

11 A. Yes.

12 Q. The other difference is if
13 appraisers had some information regarding the
14 marketability or the lack of marketability of a
15 given piece of art, that they needed to share
16 that because it was important that you would be
17 able to sell the art as collateral if you needed
18 to?

19 A. Right. This is an instance where
20 BI considerations, bought-in considerations or
21 unsold considerations are taken into account,
22 when in general appraisal practices they are
23 not.

24 Q. That's an interesting phrase that
25 I'm not familiar with. BI considerations, or

1 Michael Plummer
 2 buy-in as you put it before?
 3 A. Right.
 4 Q. What does that mean?
 5 A. It means a certain percentage of
 6 property in nearly every auction remains unsold,
 7 and it can vary from as little as 10 or
 8 15 percent up to 35 or 40 percent.
 9 Q. What happens with that property in
 10 connection with an auction that's just given
 11 back to the owner, correct?
 12 A. Sometimes. Sometimes it's marked
 13 down and resold because the owner doesn't want
 14 it back.
 15 Q. But sold at a lower price?
 16 A. But sold at a lower price.
 17 Q. So the phrase "buy-in" means?
 18 A. Bought in. It technically means
 19 that the auction house is buying something back
 20 in the auction on behalf of the seller at a
 21 preset reserved price.
 22 Q. That's new information to me. So
 23 sometimes in connection with an auction, an
 24 auction house will have a preset price at which
 25 it will buy some of that art?

1 Michael Plummer
 2 A. No, no, no, that's not what I am
 3 saying. It is a -- a reserve price is a
 4 pre-agreed upon price between the auction house
 5 and the seller, at which the auction house will,
 6 in their language, buy it back on behalf of the
 7 seller. Meaning that they will take it back,
 8 they will not sell it to somebody else below
 9 that price so they will --
 10 Q. Hold it for the seller?
 11 A. Hold it for the seller.
 12 Q. And then the seller just gets it
 13 back?
 14 A. Or re-offers it.
 15 Q. Or re-offers it in another sale?
 16 A. Correct.
 17 Q. So that's what you meant when you
 18 talked about the BI factor?
 19 A. Correct. It's just auction
 20 terminology. It's confusing, but that's how
 21 they refer to it.
 22 Q. Again, one of the differences is
 23 that in connection with an art loan, you want to
 24 be sure you can sell the art if you are taking
 25 it as collateral, correct?

1 Michael Plummer
 2 A. Yes.
 3 Q. So other than being conservative
 4 and getting more information on the
 5 marketability or the salability of a given art,
 6 was there any other difference, any other input
 7 that you would get from the appraisal
 8 department?
 9 A. I don't recall.
 10 Q. What about from the specialists;
 11 other than those two things, did you get any
 12 other information from the specialists?
 13 A. Well, the specialists, we were
 14 working to get them to promote lending to their
 15 clients. So we were looking at them as sales
 16 partners in building the business for us, and we
 17 would meet sometimes with their clients and them
 18 to, you know, propose art loans.
 19 Q. In connection with these best
 20 practices, and I don't know if this was part of
 21 the practice at Christie's or part of your
 22 practice; would you create a best practice
 23 manual saying this is the way that we are going
 24 to prepare to make an art loan and this is the
 25 information we need if we're going to make an

1 Michael Plummer
 2 art loan?
 3 A. We had a very, very extensive
 4 underwriting manual.
 5 Q. That underwriting manual would
 6 include what you had helped to put together in
 7 terms of the best practices to make an art loan?
 8 A. As I remember it, but I haven't
 9 read it for five years, seven or six years now.
 10 Q. Did you help put together that
 11 underwriting manual?
 12 A. Yes, I did.
 13 Q. Was there one when you got there?
 14 A. No, there wasn't.
 15 Q. And you don't happen to have a copy
 16 of that underwriting manual?
 17 A. No, I don't.
 18 Q. You also said in connection with
 19 the implementation of the best practices you
 20 developed relationships with lending banks.
 21 What does that entail?
 22 A. I was looking for lending partners
 23 who would provide additional capital for the
 24 loans so we wouldn't have to use Christie's
 25 balance sheet exclusively.

1 Michael Plummer
2 Q. Were you able to find lending
3 banks?

4 A. Yes. There was one that was in
5 discussions with Christie's, deep in discussions
6 with Christie's by the time I left.

7 Q. But before you left the
8 relationship hadn't finalized?

9 A. It had not finalized.

10 Q. So while you were there, to the
11 extent Christie's was making art loans it was
12 making it from its art capital?

13 A. Yes.

14 Q. The second thing you said you did
15 when you got to Christie's and helped form their
16 financial services department was develop a
17 series of art funds, correct?

18 A. Yes.

19 Q. How many art funds did you develop?

20 A. We were working with Goldman Sachs
21 to initially develop four. One similar to
22 the -- it was in essence an adaptation of what
23 we were doing at Fernwood. The initial plan was
24 for four, one in the Impressionist and Modern
25 sector, one in the Post War sector and

1 Michael Plummer
2 Contemporary sector, and then one in the Old
3 Masters sector.

4 Then the fourth which we call the
5 Brick fund which was in emerging markets such as
6 Chinese art, Latin American Art, Russian and
7 Indian Art.

8 Q. So you picked certain sectors of
9 art that you were going to try to create funds
10 for, correct?

11 A. Correct.

12 Q. Why did you pick those? For
13 example, why would you pick Impressionist and
14 Post War and Old Masters and emerging markets?

15 A. Well, as a selling strategy Goldman
16 was really going to be the distributor. They
17 wanted to be able to have an array of products
18 to sell to their clients that had different risk
19 return attributes.

20 So, for instance, based on the work
21 that I had done at Fernwood we were able to
22 determine that based on that analysis of
23 volatility and risk and return we were able to
24 determine, for instance, that Old Masters were
25 less volatile than Contemporary and more stable,

1 Michael Plummer
2 but lower return.

3 And that Impressionist and Modern
4 fell somewhere in between Contemporary and Old
5 Masters, and that the Brick categories were much
6 higher risk, but potentially much higher return.
7 So like any kind of investment product, your
8 investor will choose which fit his investment
9 goals.

10 Q. Did you start four art funds?

11 A. Well, what ended up happening was
12 that that was -- the art fund projects began in
13 2007 in earnest, perhaps a little bit -- yeah,
14 in 2007.

15 As you may recall, in July of 2007
16 the financial credit market started seizing up
17 in July of 2007.

18 Q. That would have been July of 2008,
19 and we know that date very well.

20 A. No, no, no. Actually, 2007 is when
21 the credit market started seizing up. So we
22 went to -- let's see. Then by 2008, July, of
23 course then the financial markets overall
24 started having an impact.

25 My now business partner and I who

1 Michael Plummer
2 were working at Christie's together on the art
3 fund went to the management of Christie's to
4 advise them to pull out of their guarantee
5 portfolio, because we predicted based on our
6 financial analysis that the market would crash
7 in the fall of 2008.

8 Unfortunately, we were disregarded
9 and Christie's had a very large guarantee
10 portfolio going into the fall of 2008. It's a
11 matter of public record that the art market
12 crashed in the fall of 2008, along with the
13 seizing up of financial markets.

14 At that time we restructured the
15 art fund from being four funds to being one
16 fund, that would be an opportunistic fund based
17 on the realities of the current market
18 situation.

19 Q. A very interesting period. Again,
20 to make sure I get it right. You began with
21 thoughts of having four art funds?

22 A. Correct.

23 Q. Structured along the lines of your
24 prior testimony and dealing with four different
25 genres of art based on the factors you testified

1 Michael Plummer
2 about earlier. You began that in 2007?
3 A. Right.
4 Q. But because of credit markets and
5 later financial markets; did you actually raise
6 the funds, the four funds?
7 A. No. As I was saying, we dropped
8 the plan for the four funds and we restructured
9 it to be one fund.
10 Q. You did that in about 2008?
11 A. That would have been in January of
12 2009; December 2008, January 2009, and we went
13 to market in April -- late March, in March or
14 early April with the opportunity fund, the
15 distressed fund if you will, and we went to
16 Europe and met with leading investment firms in
17 Europe and, as you would say in the industry,
18 soft circled about a hundred million for that
19 fund.
20 Q. What does soft circled mean?
21 A. It means you have a verbal
22 expression of interest for a certain amount of
23 money without a signed agreement of funding.
24 Q. So December, January you formed the
25 one fund?

1 Michael Plummer
2 A. Right.
3 Q. Were you still at Christie's?
4 A. Yes.
5 Q. You then went to market with that
6 one fund sometime in March or April of 2009?
7 A. Correct.
8 Q. Did you ever actually raise the
9 funds for that one fund?
10 A. No, we did not, because Christie's
11 made a decision a few weeks after that or around
12 that time that they had sufficient problems in
13 their core business based on that guarantee
14 portfolio, that they had to cut back and could
15 not make the seed investment in the art fund
16 that was required for the art fund to proceed.
17 Q. So beyond that, what else did you
18 do at Christie's Financial Services?
19 A. The funds and the lending business,
20 those are my primary responsibilities.
21 Q. Essentially, how many loans did you
22 bring to market for Christie's in the art
23 lending business?
24 A. Well, there were four loans with
25 Christie's while I was there. Then in the

1 Michael Plummer
2 spring of 2009, Christie's withdrew from both
3 the lending business and the art fund business
4 because they contracted, as many firms did in
5 2009, and dropped many of their new initiatives.
6 Q. Those four loans, do you recall the
7 size of those four loans?
8 A. They were in the -- all in the
9 portfolio was -- you know, I think this is
10 proprietary information, I'm not sure I can
11 reveal this, but they were substantial.
12 Q. When you say "substantial" are you
13 saying seven figures?
14 A. More.
15 Q. So without naming any names, can
16 you tell me the size of these loans?
17 A. They were in the hundreds of
18 millions.
19 Q. Do you know if these loans were
20 ever paid back?
21 A. I heard that they were, yes.
22 Q. Have we completed your description
23 of your work at Christie's?
24 A. I believe so.
25 Q. So in 2009 did you leave

1 Michael Plummer
2 Christie's?
3 A. I did.
4 Q. When in 2009?
5 A. Around that time, around
6 April 2009.
7 Q. Where did you go then?
8 A. I then founded Artvest Partners, my
9 current company.
10 Q. Since 2009 to the present, have you
11 been employed by or worked with Artvest
12 Partners?
13 A. I am a principal of Artvest
14 Partners, it is my firm.
15 Q. Have you worked with anybody else
16 during that period of time?
17 A. No.
18 Q. So your sole employment from 2009
19 to present has been with Artvest Partners?
20 A. Correct.
21 Q. Who else works with you at Artvest
22 Partners?
23 A. I have my partner, Jeff Rabin, who
24 was part of this financial services group at
25 Christie's with me working on the art fund. He

1 Michael Plummer
 2 came with me into this venture and we founded it
 3 as co-principals and partners.
 4 Q. How many people do you employ?
 5 A. At the moment we have one, a
 6 full-time employee.
 7 Q. What does that person do?
 8 A. She assists us with our analysis.
 9 Q. Would you call her a specialist?
 10 A. No. I mean she actually had worked
 11 in the specialist department at Sotheby's and
 12 she has a graduate degree from the NYU program,
 13 but she's not -- I would say her -- she wears
 14 many hats, so I'm not sure that I would call her
 15 a specialist.
 16 Q. Would you call her an appraiser?
 17 A. I would not call her an appraiser.
 18 Q. Is Mr. Rabin an appraiser?
 19 A. No, he is not an appraiser.
 20 Q. The full time employee that you
 21 referred to, does she have a name?
 22 A. Yes. Anya Bemis, A-n-y-a,
 23 B-e-m-i-s.
 24 Q. Has Anya ever been involved in the
 25 sale of a substantial collection of art like

1 Michael Plummer
 2 the -- say the art that was appraised by
 3 Christie's for the DIA?
 4 A. You know, I don't remember all of
 5 Anya's experience. She has worked on projects
 6 for us and she worked in the specialist
 7 department at Sotheby's years ago, so I would
 8 imagine in that capacity she did have some
 9 experience on working on some collections.
 10 Q. So the collection that was
 11 appraised by Christie's, you're familiar with
 12 it?
 13 A. I'm sorry, are you referring to the
 14 appraisal of the DIA collection?
 15 Q. The collection of art at the DIA
 16 that was appraised by Christie's, are you
 17 familiar with that?
 18 A. I am familiar with it.
 19 Q. Did you handle that appraisal in
 20 connection with the preparation of your expert
 21 report?
 22 A. We reviewed it, yes.
 23 Q. That would be about 1,700 or so
 24 works of art that they appraised, correct?
 25 A. That would be. We did not review

1 Michael Plummer
 2 all 1,700, but we reviewed a number of the
 3 objects that we felt were important and
 4 relevant.
 5 Q. Have you ever been involved in the
 6 sale of a collection of art the size that we
 7 were just referring to, the 1,700 works of art
 8 at the DIA?
 9 A. No, I have not been involved in a
 10 sale of that magnitude.
 11 Q. Do you know if Anya has?
 12 A. I do not know.
 13 Q. Do you know if Jeff Rabin has?
 14 A. I do not know. He was involved in
 15 sales in Sotheby's -- in Christie's wine
 16 department before he came to Artvest and worked
 17 in financial services, so he may have.
 18 Q. Sales of wine?
 19 A. Sales of wine in Christie's wine
 20 department.
 21 Q. Is sales of wine the same as sales
 22 of art?
 23 A. They require expertise and there
 24 are a lot of similarities, yes. It involves
 25 condition, it involves authenticity. There are

1 Michael Plummer
 2 a lot of very strong, compelling overlaps.
 3 Q. Is Mr. Rabin in his work at Artvest
 4 continuing to be involved in the sale of wine?
 5 A. He is not.
 6 Q. Can you describe the business of
 7 Artvest Partners for me?
 8 A. We advise clients on buying and
 9 selling art; we set values for them in buying
 10 and selling art; we from time to time write
 11 about the art market and the performance of the
 12 art market; we broker loans for clients and
 13 assist them in setting the values for those
 14 loans.
 15 We negotiate with the auction
 16 houses on behalf of clients for selling their
 17 art at auction and setting values for that art.
 18 We work with members of the trade and broker
 19 deals and sell property directly on behalf of
 20 clients.
 21 Lastly, we also have an ownership
 22 interest in an art fair, a significant ownership
 23 interest in an art fair, and we have close
 24 relationships with members of the trade who are
 25 our clients and keep abreast of market

<p style="text-align: right;">Page 73</p> <p>1 Michael Plummer</p> <p>2 conditions through those relationships.</p> <p>3 Q. So the first thing you mentioned,</p> <p>4 and I want to make sure I'm understanding it as</p> <p>5 well, is advising the clients in the buying and</p> <p>6 self art, correct?</p> <p>7 A. Um-hum.</p> <p>8 Q. How would it work? A person would</p> <p>9 be an owner of art and then would say well, I'm</p> <p>10 considering selling this art, and they would</p> <p>11 want to work with someone who knows more about</p> <p>12 the market and about the value of the market and</p> <p>13 the way it's working, and then they would come</p> <p>14 to you as a consultant and an advisor, correct?</p> <p>15 A. Um-hum.</p> <p>16 Q. Do you charge by the hour or is</p> <p>17 there a commission?</p> <p>18 A. It depends on the situation. We</p> <p>19 may charge a fixed fee, we may charge by the</p> <p>20 hour or we may charge a transaction fee, or we</p> <p>21 may just charge a combination of both.</p> <p>22 Q. So you're like a law firm there</p> <p>23 then?</p> <p>24 A. I would never say that I was like a</p> <p>25 law firm.</p>	<p style="text-align: right;">Page 75</p> <p>1 Michael Plummer</p> <p>2 at the comparables in the market and then you</p> <p>3 look at market conditions overall and whether</p> <p>4 it's a good time to sell, a safe time to sell.</p> <p>5 Whether or not, for instance, it</p> <p>6 would be best to sell at auction or to sell</p> <p>7 privately, whether or not the work is good</p> <p>8 enough to negotiate a guarantee with the auction</p> <p>9 houses, that sort of thing.</p> <p>10 Q. So you could even work with other</p> <p>11 auction houses as you just mentioned to have the</p> <p>12 art sold, and you might advise somebody that</p> <p>13 look, this is the type of art that would best be</p> <p>14 auctioned or this is the type of art that would</p> <p>15 best be sold in a different way; is that how it</p> <p>16 worked?</p> <p>17 A. Correct.</p> <p>18 MR. IRWIN: Sorry, did you have a</p> <p>19 question about something?</p> <p>20 THE WITNESS: I wanted to ask if I</p> <p>21 could have a bathroom break.</p> <p>22 MR. SOTO: Absolutely.</p> <p>23 THE VIDEOGRAPHER: The time is</p> <p>24 10:42 a.m., and we're going off the record.</p> <p>25 (Short break taken)</p>
<p style="text-align: right;">Page 74</p> <p>1 Michael Plummer</p> <p>2 Q. I could understand why. Now, in</p> <p>3 terms of the fees, the different types of fees</p> <p>4 that you're charging, would there be one type of</p> <p>5 client that you would charge by the hour,</p> <p>6 another a fixed fee, another something else?</p> <p>7 A. I would say it's more defined by</p> <p>8 the project and the needs of the project; every</p> <p>9 project is different.</p> <p>10 Q. The advice that you give if a</p> <p>11 client comes to you with a piece of art that</p> <p>12 they're considering selling, do you first try to</p> <p>13 determine the value of that art?</p> <p>14 A. Um-hum. Yes, sorry.</p> <p>15 Q. Please don't be sorry, I do it all</p> <p>16 the time. When I point like that you just give</p> <p>17 your verbal answer.</p> <p>18 The issue of setting that value,</p> <p>19 would you do it in the way you described</p> <p>20 earlier, by trying to determine what maybe</p> <p>21 comparables were and then trying to determine</p> <p>22 what the market situation is for that particular</p> <p>23 type of art?</p> <p>24 A. Yes. I would say we do sort of a</p> <p>25 macro and a microeconomic review. So you look</p>	<p style="text-align: right;">Page 76</p> <p>1 Michael Plummer</p> <p>2 THE VIDEOGRAPHER: This begins</p> <p>3 media unit number 2, the time is 10:48 a.m., and</p> <p>4 we're back on the record.</p> <p>5 BY MR. SOTO:</p> <p>6 Q. Mr. Plummer, one of the questions I</p> <p>7 meant to ask but forgot to. In connection with</p> <p>8 the four loans that you testified about that</p> <p>9 were made by Christie's while you were there</p> <p>10 overseeing the financial services department,</p> <p>11 were any of those loans made to institutions?</p> <p>12 A. I don't think so.</p> <p>13 Q. So those were loans to private</p> <p>14 individuals?</p> <p>15 A. Yes.</p> <p>16 Q. So the second thing you mentioned</p> <p>17 in connection with the work you do at Artvest</p> <p>18 was to set values?</p> <p>19 A. Um-hum.</p> <p>20 Q. Is that any different than what you</p> <p>21 just testified about in terms of advising</p> <p>22 clients and determining the value of their art?</p> <p>23 A. No, I don't believe so. I'm not</p> <p>24 sure I understand your question though.</p> <p>25 Q. Let me see if I can break it down.</p>

19 (Pages 73 to 76)

1 Michael Plummer
 2 You mentioned that you advised clients in the
 3 buying and selling of art?
 4 A. Right.
 5 Q. The second thing that you listed,
 6 at least the transcript said, was you also said
 7 values. I was trying to see, is there a
 8 distinction between the way you would set values
 9 and advising a client on the buying and selling
 10 of art, and what you referred to in your prior
 11 testimony generally as setting values?
 12 A. I would say we generally follow the
 13 same methodology for advising clients on buying
 14 and selling art and for setting values on art
 15 when we set values.
 16 Q. That's what you just testified
 17 about, correct?
 18 A. Yeah.
 19 Q. You said that you write regarding
 20 the performance of art?
 21 A. Yes.
 22 Q. What would that include, would that
 23 include published articles?
 24 A. It includes a piece written and
 25 published in The Art Newspaper. We use to issue

1 Michael Plummer
 2 periodic market analysis which we sent out to
 3 our distribution lists which were widely
 4 acclaimed and much sought after, reviewing each
 5 season and the outlook for the current season.
 6 We did a special analysis of the
 7 Asian market. At one point we did a special
 8 analysis of the Chinese market, much of which
 9 became the foundation of the front page article
 10 of The New York Times by Malcolm Bowley. We
 11 wrote on the Contemporary market; yeah, things
 12 like that.
 13 Q. Malcolm Bowley, is that B-o-w-l-y?
 14 A. B-o-w-l-e-y.
 15 Q. Would we be able to find the
 16 article that appeared in you called it The Art
 17 Newspaper?
 18 A. Yeah, it was an editorial in The
 19 Art Newspaper.
 20 Q. It would have your name attached to
 21 it?
 22 A. Yes. It has Jeff's and my name
 23 attached to it.
 24 Q. What was that editorial about?
 25 A. It was -- let me make sure I get

1 Michael Plummer
 2 the time right. It was about the state of the
 3 art market in I think it was 2009 and the
 4 prospects for its recovery based on the
 5 financial crisis.
 6 Q. Since that editorial five years ago
 7 have you done any other publishing?
 8 A. Well, as I said, those reports that
 9 I was talking about were done after that.
 10 Q. The periodic reports?
 11 A. Yeah.
 12 Q. The periodic market analysis that
 13 you did, was that published publicly or is it
 14 something privately?
 15 A. It was something that we at Artvest
 16 published and distributed to our clients.
 17 Q. How often did you publish it?
 18 A. We published them about every six
 19 months for an 18-month period; an 18-month to
 20 2-year period.
 21 Q. You stopped publishing it now?
 22 A. Yes.
 23 Q. Why did you stop?
 24 A. We stopped because it was an
 25 expensive undertaking. We had many fans who

1 Michael Plummer
 2 sought it out, but we found it to be -- we had
 3 also made our mark in the industry, we were now
 4 being sought out by clients and reporters to
 5 express our opinion and we felt we didn't need
 6 to continue making an investment; and it was a
 7 costly endeavor.
 8 Q. The periodic analysis would include
 9 your view of the values, again, of different
 10 genres of art --
 11 A. Yes.
 12 MR. IRWIN: You should let him
 13 finish his question.
 14 Q. -- and the volatility of different
 15 values of art?
 16 A. Yes.
 17 Q. As well as the salability of
 18 different genres of art, correct?
 19 A. Yes. We would even get into
 20 analyzing certain artists like Picasso and the
 21 growth in value of certain works of art that
 22 were coming back up at auction, and some
 23 in-depth analysis of individual works.
 24 Q. Did you utilize any of that
 25 information in arriving at any of the opinions

<p style="text-align: right;">Page 81</p> <p>1 Michael Plummer 2 that you state in your expert report that you 3 are giving here in connection with the Chapter 9 4 proceedings of Detroit? 5 MR. IRWIN: It's a little vague, 6 you can answer the question. 7 A. No. I would say though that some 8 of the opinions and things that we expressed 9 then would be consistent with things that we 10 have expressed in this report, that certain 11 conditions perhaps remained the same or haven't 12 changed. 13 Q. If I wanted to determine how 14 accurate your analysis was in connection with 15 these periodic market analyses that you 16 published, where can I obtain copies of them? 17 A. I have copies. 18 (*r) MR. SOTO: Geoff, I would 19 appreciate it if we can get copies of those so 20 that I can look at them in connection with our 21 analysis of this expert. 22 MR. IRWIN: Send me a note tallying 23 all this stuff up at the end and we'll talk to 24 you then. 25 Q. So the next thing that is listed</p>	<p style="text-align: right;">Page 83</p> <p>1 Michael Plummer 2 A. It means we would establish the 3 value of the art and what the client was likely 4 to get as a loan for that art. Then sometimes 5 even work with the lender in agreeing to the 6 values the lender was going to put on the art. 7 Q. The next thing you mentioned was 8 you assisted clients in connection with their 9 work with auction houses, correct? 10 A. Yes. 11 Q. What would that entail? 12 A. That would entail arranging the 13 deal with the auction house in terms of what the 14 financial terms were, what the marketing terms 15 were, and what the value that the auction house 16 was putting on the property. 17 Q. You would help set the value? 18 A. We would be engaged in the 19 discussion of the value with the auction house, 20 which would be usually a three-party discussion, 21 the auction house, the client and us. 22 Q. In connection with -- let me finish 23 the list. The next thing you said is you sold 24 property directly for clients? 25 A. Yes.</p>
<p style="text-align: right;">Page 82</p> <p>1 Michael Plummer 2 here is that you brokered loans? 3 A. Yes. 4 Q. What does that mean? 5 A. It means that clients come to us 6 looking for art loans and we would take them to 7 a bank or a lending institution to get the loan, 8 and we would match the right lender to the needs 9 of the borrower and the borrower's 10 qualifications. 11 Q. In connection with your brokering 12 of loans, did you ever broker any loans for an 13 institution? 14 A. You mean on behalf of an 15 institution as a client? 16 Q. Yes, on behalf of an institution. 17 A. No. 18 Q. So for the most part, when you were 19 brokering loans it's on behalf of individual 20 clients? 21 A. Yes. 22 Q. The next thing you listed was set 23 value for loans? 24 A. Yes. 25 Q. What did you mean by that?</p>	<p style="text-align: right;">Page 84</p> <p>1 Michael Plummer 2 Q. What does that mean? 3 A. Well, I would say directly we would 4 sell property, not so much that we would sell it 5 ourselves but we would sell -- instead of 6 selling through auction we would sell it through 7 a dealer. 8 Q. So that would be a situation where 9 a client came to you, you felt it was best not 10 to go through an auction with this particular 11 client, but to go through a dealer directly? 12 A. Yes. 13 Q. You mentioned that Artvest has an 14 ownership interest in an art fair, correct? 15 A. Correct. 16 Q. What is that art fair? 17 A. It's called Spring Masters New 18 York. 19 Q. Where is it? 20 A. It is held in May at the Park 21 Avenue Armory. 22 Q. In connection with your ownership 23 of that interest in the art fair, do you perform 24 any appraisal services of any type in connection 25 with that work?</p>

21 (Pages 81 to 84)

1 Michael Plummer
2 A. No, in that capacity we do none.
3 We do have nearly weekly conversations with
4 dealers who are our clients about the state of
5 the art market and the state of their
6 businesses, so it's an important resource for
7 information.

8 Q. So having an interest in the art
9 fair enables you to maintain contact with a
10 number of dealers, and a number of people who
11 will give you information that they have about
12 the market and about various genres of art,
13 correct?

14 A. Or confirm information that we
15 already have.

16 Q. So it helps you to keep up to
17 breast?

18 A. Exactly.

19 Q. That's what you meant when you said
20 that, to keep up to breast with market
21 conditions?

22 A. Right.

23 Q. In connection with the work that
24 you have described of Artvest for example, let's
25 just take the first one, advising clients.

1 Michael Plummer
2 Does Artvest ever hire or retain
3 the services of an appraiser in connection with
4 its work with its clients when it's advising
5 clients regarding buying and selling?

6 A. We hired appraisers to work on the
7 DIA project.

8 Q. Is that the only project that you
9 can recall that you hired appraisers for?

10 A. I believe so.

11 Q. Who were you retained by in
12 connection with your work on the DIA project?

13 A. By Cravath and Jones Day.

14 Q. Do you know who they represented in
15 connection with that project?

16 A. Yes.

17 Q. Who is that?

18 A. Jones Day for the City and Cravath
19 for the DIA.

20 Q. So ultimately your work was for the
21 City, and you were hired by Mr. Irwin's firm;
22 and also by the DIA you were hired by
23 Mr. Levin's firm?

24 A. Correct.

25 Q. In connection with your work under

1 Michael Plummer
2 Artvest, or as co-owner of Artvest, do you ever
3 advise clients on alternate forms of monetizing
4 art separate and apart from sales?

5 A. We have advised clients on art
6 loans, which is a type of liquidation other than
7 selling. We have never been hired to, but we
8 were engaged -- we were approached about setting
9 up a system for art loans for a fee, in terms of
10 lending works of art, but we found that to be
11 a -- not a viable option to pursue.

12 Q. So I understand it. The
13 distinction you're making between art loans that
14 you've been advised on, that you testified about
15 already, and art loans for a fee; what's the
16 difference?

17 A. Well, I mean lending a work of art
18 to someone to hang on their wall; renting a work
19 of art is what I mean.

20 Q. What has your experience been in
21 connection with, as you put it, renting a work
22 of art?

23 A. As I said, we've been approached
24 more than once about this and we have declined
25 to pursue that because we feel it's not a viable

1 Michael Plummer
2 line of business or option.

3 Q. It's not viable because it's
4 difficult to get a fee for it?

5 A. There's really no audience for it.

6 Q. The times that you were approached
7 for renting a work of art, was that by
8 individuals?

9 A. It was by individuals who had
10 collections, who were looking to do it as a tax
11 strategy.

12 Q. Other than those two forms of
13 monetization or alternatives to sale, has
14 Artvest worked with any other alternatives?

15 A. Not that I can recall.

16 Q. So you spent 16 years at Sotheby's,
17 correct?

18 A. Correct.

19 Q. And two years at Christie's,
20 correct?

21 A. Correct.

22 Q. During that time did you personally
23 conduct any appraisals?

24 A. No.

25 Q. During that time did you obtain any

1 Michael Plummer
 2 training in conducting an appraisal?
 3 A. No.
 4 Q. During that time did you
 5 participate in auctioning artworks?
 6 A. How do you mean that question?
 7 Q. Actually in its broadest sense.
 8 Did you participate in any way or were you
 9 involved in any way of the auctioning of
 10 artworks?
 11 A. Well, as a business manager I was
 12 involved in the department's creation of a sale
 13 and managing that sale and putting that sale on;
 14 so yes, if you mean it in the broadest sense.
 15 Q. That would be in connection with
 16 your work in marketing, correct, that you headed
 17 the marketing department for Sotheby's and you
 18 would have to know something about the auction
 19 that was going to be held in order to market it,
 20 correct?
 21 A. Well, that too; but I was referring
 22 to my experience before that as a business
 23 manager where I actually sat in the expert
 24 department and worked with them as they were
 25 putting the sale together for auction.

1 Michael Plummer
 2 Q. So that would have been your
 3 initial work at Sotheby's, correct?
 4 A. That would have been my second job
 5 at Sotheby's.
 6 Q. As the business manager, I see.
 7 What was your first job at Sotheby's?
 8 A. Account manager.
 9 Q. Account manager, okay. In
 10 connection with your work as a business
 11 manager -- well, I think we got that on
 12 testimony already so I won't go over it again.
 13 Other than that work that you just
 14 described, your work as a business manager, and
 15 also the marketing work that you described; was
 16 there any other work that you did, again in its
 17 broadest sense, that would put you in
 18 participation with the auctioning of artworks?
 19 A. The business manager job, yes, and
 20 the marketing position; and then I left
 21 Sotheby's after that. Then at Christie's I was
 22 not involved in the auctioning of works of art.
 23 Q. The experience you did have at
 24 Sotheby's that you just referred to, did it ever
 25 involve the auctioning of an entire collection

1 Michael Plummer
 2 of a museum, for example?
 3 A. No, I don't believe that such an
 4 event has ever happened.
 5 Q. Did it ever involve the auctioning
 6 of a portion of a collection say the size of the
 7 1,700 works of art that Christie's appraised for
 8 the DIA?
 9 A. There were various large
 10 collections, I can't remember now what they
 11 were, but some very large ones that came
 12 through. For example, I was involved in the
 13 Jackie Onassis sale.
 14 Q. How many works of art did that
 15 involve?
 16 A. I can't remember, but it was a
 17 large collection and I wrote the marketing plan
 18 for that and also designed the catalog cover for
 19 it.
 20 Q. Have you ever prior to this
 21 occasion where you have been retained as an
 22 expert, have you ever been retained as an expert
 23 witness in any other case?
 24 A. No.
 25 Q. Other than the expert report that

1 Michael Plummer
 2 you prepared in connection with this Chapter 9
 3 proceeding that we're here on today, have you
 4 ever prepared an expert report for any other
 5 case?
 6 A. No.
 7 Q. Other than the testimony you're
 8 giving here today, have you ever given testimony
 9 or proposed to give testimony as an expert in
 10 any other case?
 11 A. No. I was engaged about the time
 12 of this engagement to be an expert witness, but
 13 that has not taken place yet.
 14 Q. That's in another litigation?
 15 A. Another litigation unrelated to
 16 this.
 17 Q. What is the subject matter of that
 18 case?
 19 A. It's a tax-related estate issue.
 20 Q. And you haven't prepared a report
 21 in that case yet?
 22 A. Nothing has happened yet.
 23 Q. In connection with this matter have
 24 you been told that you will be requested to act
 25 as a witness in connection with the planned

1 Michael Plummer
2 confirmation trial that's currently set to take
3 place in Detroit, I believe it's starting now
4 around August 21st?

5 A. Yes.

6 Q. We'll go through that in a
7 different fashion to see if we can get it
8 quicker.

9 Who have you spoken to regarding
10 your potential testimony in this matter, this
11 Chapter 9 proceeding?

12 A. What do you mean by spoken to about
13 my potential testimony?

14 Q. Who have you spoken to about the
15 fact that you're acting as an expert, or hoping
16 to act as an expert, and that you might be
17 testifying in this matter?

18 A. Well, I guess numerous people
19 because it's a matter of public record now and
20 I've been asked about it, but I don't comment on
21 it.

22 Q. So the numerous people who have
23 approached you, who have you spoken to?

24 A. Well, they have asked me questions
25 and I don't talk about it, I just refer them to

1 Michael Plummer

2 Q. Can you tell me when you were
3 retained as an expert witness?

4 A. It was around May 20th something.

5 Q. Of 2014?

6 A. 2014, yeah.

7 Q. Who initially contacted you
8 regarding your retention as an expert?

9 A. Rich Levin.

10 Q. Have you had previous dealings with
11 Mr. Levin?

12 A. Well, we had spoken about this at
13 some period before that as a possibility for it,
14 but nothing had materialized until May.

15 Q. What was the nature of your
16 assignment as explained to you by either the
17 City or the DIA?

18 A. It's listed in my report, there are
19 four main bullets. I wouldn't want to do it
20 from memory since it's actually in the report.

21 Q. You can actually have a copy of
22 that report. I think it's actually going to be
23 our next exhibit so why don't we go ahead and
24 mark it. We give nothing but open book exams
25 here.

1 Michael Plummer
2 my report.

3 Q. You're talking about like
4 journalists or somebody who are calling you up
5 and asking you about --

6 A. Or friends, family, that sort of
7 thing.

8 Q. So you've certainly spoken with
9 Mr. Irwin, correct?

10 A. Yes.

11 Q. And with counsel in his office?

12 A. Yes.

13 Q. With Mr. Levin and maybe his
14 colleagues?

15 A. Correct.

16 Q. Have you spoken with Mr. O'Reilly?

17 A. Yes.

18 Q. Have you spoken with anyone at the
19 DIA?

20 A. No.

21 Q. Other than the counsel that I've
22 already mentioned, the attorneys that I've
23 already mentioned; have you spoken with anybody
24 else?

25 A. No.

1 Michael Plummer

2 A. That's good. While we're doing
3 that may I have another quick break?

4 Q. Absolutely.

5 THE VIDEOGRAPHER: The time is
6 11:14 a.m., and we're going off the record.

7 (Off the record)

8 (Plummer Exhibit 2, Expert Witness
9 Report of Michael Plummer, marked for
10 identification.)

11 THE VIDEOGRAPHER: The time is
12 11:26 a.m., and we're back on the record.

13 BY MR. SOTO:

14 Q. Mr. Plummer, I have handed you what
15 we have marked as Exhibit 2 to this deposition.

16 A. Yes.

17 Q. Are you familiar with that?

18 A. Yes, I am.

19 Q. Take a moment to review it. I will
20 ask you is this the report that you have
21 submitted as an expert witness in the City of
22 Detroit Chapter 9 proceeding?

23 A. Yes, it is.

24 Q. Now, we were just about to ask
25 about it and I told you it would be open book.

1 Michael Plummer
2 You mentioned -- when I asked you what the
3 nature of your assignment was as it was
4 explained to you, you were referring to
5 something in your report, what was that?

6 A. That was the list on page 4, number
7 2, that counsel had asked me to form an opinion
8 with respect to the following:

9 "The indicative value of the works
10 in the DIA collection. The feasibility and
11 likely effects on the market and value
12 realization of a sale of the DIA collection
13 under a variety of market and sale conditions.
14 Creditor-proposed sales of the DIA's collection,
15 including analysis of certain third-party
16 indications of interest.

17 "Monetization alternatives
18 described in Christie's report to the City of
19 Detroit, and infirmities in any rebuttal expert
20 reports, which I will address in any
21 supplemental report as necessary."

22 Q. What is your compensation
23 arrangement for providing testimony of those
24 topics?

25 A. It was \$112,500 for the report and

1 Michael Plummer
2 July 8th when this report is dated, is that the
3 amount of time it took?

4 A. Yes.

5 Q. You completed it just at the nick
6 of time and handed it in on July 8th?

7 A. Yeah, we handed it in on July 8th
8 and we worked pretty much around the clock to
9 get it done.

10 Q. Right up to the deadline?

11 A. Yeah.

12 Q. So on page 48, paragraph 79 A, you
13 state, I'll read it for you slowly:

14 "The indicative value of the works
15 in the DIA Collection at a gross valuation,
16 without any deduction for the value of the works
17 that are ultimately determined not to be subject
18 to sale, whether for legal or other reasons, and
19 before the application of discount factors
20 related to general market conditions or issues
21 specific to the DIA collection as a mid estimate
22 of \$3,684,466,069 and a low estimate of
23 \$2,760,978,432."

24 Did I read that correctly?

25 A. Yes.

1 Michael Plummer
2 6,000 per day for testimony and deposition, or
3 \$3,500 for a half day.

4 Q. We're not going to have to worry
5 about the half day, so we'll just keep going.
6 I'll try to get it done today, I think I'm under
7 a 17-hour limit again.

8 Do you know of anyone else from
9 Artvest who's going to be asked to testify?

10 A. No.

11 Q. Let me ask you then to look at page
12 48 of Exhibit 2. It starts at the top of the
13 page with "Conclusion," do you see that?

14 A. Um-hum.

15 Q. So we're on the same page. Is that
16 your signature at the bottom of that page?

17 A. It is.

18 Q. Can you tell me how long it took
19 you to put together this expert report. You
20 said you were retained in May, when did you
21 start working on the report?

22 A. We probably started doing
23 preparatory work in I would say the middle of
24 May.

25 Q. From the middle of May through

1 Michael Plummer
2 Q. What was the high estimate?

3 A. The high estimate is in the report.
4 The high estimate was \$4,607,953,704 on page 19
5 of the report.

6 Q. Page 19?

7 A. Page 19.

8 Q. Let me turn there and catch up to
9 you. So under Table 2, under "Total DIA
10 Collection" at the bottom, the column high
11 estimate, the final number going down the column
12 is \$4,607,953,704. That's the highest of it,
13 correct?

14 A. Correct.

15 Q. Have you done all the required work
16 that you think was required to reach the
17 opinions you reached in this case?

18 A. Yes.

19 Q. Or, asked another way, you have no
20 more work you think you need to do in order to
21 support these opinions, correct?

22 A. Correct.

23 Q. Is there any work that you wanted
24 to do, but you were unable to do before
25 rendering these opinions?

<p style="text-align: right;">Page 101</p> <p>1 Michael Plummer</p> <p>2 A. No.</p> <p>3 Q. On page 48, in paragraph 79 B, you</p> <p>4 state:</p> <p>5 "The feasibility and likely effects</p> <p>6 of and on the market and value realization of a</p> <p>7 sale of the DIA collection under a variety of</p> <p>8 market and sale conditions: After the</p> <p>9 application of various discount factors related</p> <p>10 to these conditions, the range of value the DIA</p> <p>11 collection will sell for, without any deduction</p> <p>12 for the value of the works that are ultimately</p> <p>13 determined not to be subject to sale, will be</p> <p>14 between \$1.1 billion for the present value of an</p> <p>15 orderly liquidation after allowing" is that of?</p> <p>16 A. Of.</p> <p>17 Q. "Of an orderly liquidation after</p> <p>18 allowing for the likely delay of litigation to</p> <p>19 \$1.8 billion in the highest value scenario, with</p> <p>20 no litigation and an orderly selling plan." Do</p> <p>21 you see that?</p> <p>22 A. Yes.</p> <p>23 Q. Have you done all the work required</p> <p>24 to reach this opinion in this case?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 103</p> <p>1 Michael Plummer</p> <p>2 A. I don't believe so.</p> <p>3 Q. The same page, 48 this time,</p> <p>4 paragraph 79 D. Do you see it there?</p> <p>5 A. Yes.</p> <p>6 Q. You state, and I'm quoting you:</p> <p>7 "Creditor-proposed sales of the</p> <p>8 DIA's collection, including analysis of certain</p> <p>9 third-party indications of interest: They are</p> <p>10 either not plausible or not likely to net the</p> <p>11 dollar values quoted."</p> <p>12 Do you see that?</p> <p>13 A. Yes.</p> <p>14 Q. Have you done all the work</p> <p>15 required, at least that you think is required,</p> <p>16 to reach this opinion in this case?</p> <p>17 A. Yes.</p> <p>18 Q. Is there any other work that</p> <p>19 remains undone or that you think is necessary to</p> <p>20 support that opinion?</p> <p>21 A. No.</p> <p>22 Q. Let's begin by discussing the</p> <p>23 appraisal process that you went through in order</p> <p>24 to arrive at these opinions.</p> <p>25 When did your team begin appraising</p>
<p style="text-align: right;">Page 102</p> <p>1 Michael Plummer</p> <p>2 Q. Is there any work that remains</p> <p>3 undone or that you think is necessary to support</p> <p>4 that opinion?</p> <p>5 A. No.</p> <p>6 Q. On page 48, this time paragraph 79</p> <p>7 C, we'll take a look at that. You state, and I</p> <p>8 quote:</p> <p>9 "My review of the practicality and</p> <p>10 reasonableness of the monetization alternatives</p> <p>11 described in Christie's preliminary report to</p> <p>12 the City of Detroit: They do not have a</p> <p>13 reasonable expectation of either raising</p> <p>14 meaningful money or exceeding even the \$100</p> <p>15 million the DIA has already committed as its</p> <p>16 contribution to the Grand Bargain." Do you see</p> <p>17 that?</p> <p>18 A. Yes.</p> <p>19 Q. Again, have you done all the work</p> <p>20 required, as far as you are concerned, to reach</p> <p>21 this opinion in this case?</p> <p>22 A. Yes.</p> <p>23 Q. Is there any other work that you</p> <p>24 think you would need to do in order to support</p> <p>25 that opinion?</p>	<p style="text-align: right;">Page 104</p> <p>1 Michael Plummer</p> <p>2 the art at the DIA that is the subject of this</p> <p>3 expert opinion?</p> <p>4 A. We began pulling comparables in</p> <p>5 May, so the process began in May.</p> <p>6 Q. How long did it take to complete</p> <p>7 the appraisal?</p> <p>8 A. Up until the week before, the first</p> <p>9 week -- up through the first week of July.</p> <p>10 Wait. Excuse me, you referred to</p> <p>11 it as an appraisal, we referred to it as a</p> <p>12 valuation.</p> <p>13 Q. Let's go back and ask the first</p> <p>14 question again that I asked when you began</p> <p>15 appraising the art; that would still be in May?</p> <p>16 A. We began evaluating the collection</p> <p>17 in May.</p> <p>18 Q. You don't refer to it as an</p> <p>19 appraisal?</p> <p>20 A. No.</p> <p>21 Q. Why not?</p> <p>22 A. Because we consider it an</p> <p>23 evaluation of the value of the collection.</p> <p>24 Q. How do you distinguish that from an</p> <p>25 appraisal of the value of the collection?</p>

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A. Because we consider factors that are typically not considered in an appraisal, such as market conditions, which we think are critical to setting a value for this collection.

Q. Will you tell the Court what factors you are considering in an evaluation that you believe are not considered in an appraisal?

A. We are considering the impact of unsold rates. We are considering the overheatedness of the Contemporary market. We are considering the malaise, for lack of a better word, in the American Art sector. We are considering the issues in the Old Masters sector which is not a malaise, it's a cooler sector.

We are considering the differences between the activity in the Impressionist and Modern sector versus the Contemporary sector. We're also considering the impact of litigation and the delays based on other examples of that litigation in terms of liquidating the property, because it can't be sold with clear title. We're considering the impact of taint which we consider to be significant, most especially in

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the American sector.

We think all of these are critical considerations in establishing a value for the liquidation, if there were to be a liquidation, of the DIA collection.

Q. So these are all factors that you believe you considered that would not be considered in an appraisal of the art, correct?

A. Correct.

Q. So unsold rates, what does that mean?

A. Unsold rate was what I was referring to earlier as BI property, which is property that does not sell. In certain of the sectors where, and particularly Old Masters where the DIA has a very high concentration of property, our subject are very high BI rates, unsold rates.

Q. That's what you were referring to earlier in terms of unsold rates?

A. Yes.

Q. The next factor you mentioned was overheatedness in contemporary art?

A. Yes.

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Q. What are you referring to there?

A. That market has become very hot and is showing -- a number of people active in the market such as myself are beginning to have concerns about the stability of this market when it is so heated as it is, and given its volatility and the fact that it has crashed in the past, as recently as 2008.

Q. So in connection with your concern or application of factors of unsold rates, did you have a particular source that you were referring to that you utilized in determining how that unsold rate factor would apply to the collection that you analyzed at the DIA?

A. We used publicly available information based on Sotheby's and Christie's sales, on their unsold rates.

Q. Anything else?

A. No.

Q. In connection with the overheatedness, which you particularly mentioned the Contemporary Art sector?

A. Right.

Q. What did you rely on in coming to

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those conclusions and making that analysis?

A. Our own internal analysis over the last several years of --

MR. O'REILLY: Why don't we break for a moment?

MR. SOTO: I don't need to. They're going to finish that and they will be out of here in 5 minutes.

MR. O'REILLY: That's fine, you're going to have a lot of noise on the video. If you're okay with that.

BY MR. SOTO:

Q. It's up to you, are you being distracted or are you okay?

A. Okay.

Q. Let's go.

A. We used our own internal data generally comparing and our own watching of the sales which we do, sales results on a regular basis, and in particular comparing how sales are doing, auction sales are doing relative to their estimates, and the sell-through rates or unsold rates in that area as well.

As well as follow various press

<p style="text-align: right;">Page 109</p> <p>1 Michael Plummer</p> <p>2 accounts and anecdotal accounts that we have and</p> <p>3 discussions with dealers that represent the</p> <p>4 trade and their art specialties.</p> <p>5 Q. The overheatedness unsold rates,</p> <p>6 would those be the same kinds of publicly</p> <p>7 available unsold information that you referred</p> <p>8 to earlier?</p> <p>9 A. Yes.</p> <p>10 Q. So it would be the publicly</p> <p>11 available unsold information listed on the</p> <p>12 Contemporary Art sector, correct?</p> <p>13 A. Yes.</p> <p>14 Q. What about the malaise in American</p> <p>15 Art, what are you referring to there?</p> <p>16 A. I'm referring to the fact that the</p> <p>17 American Art sector has not recovered from the</p> <p>18 2008 crash, it's at its highs in the spring of</p> <p>19 2008. Let me add also that in the American Art</p> <p>20 sector, as well as in the other sectors, we look</p> <p>21 at art indices as well.</p> <p>22 Q. Anything else?</p> <p>23 A. At the moment I can't think of</p> <p>24 anything else.</p> <p>25 MR. SOTO: They're going to bring</p>	<p style="text-align: right;">Page 111</p> <p>1 Michael Plummer</p> <p>2 Q. What did you mean by that?</p> <p>3 A. By issues I meant that there is --</p> <p>4 that that market is losing collectors, that it</p> <p>5 has a high unsold rate and it has a problem with</p> <p>6 supply.</p> <p>7 Q. What is that problem?</p> <p>8 A. It's had an uneven supply of good</p> <p>9 property over the years, and there is a lot of</p> <p>10 mediocre material in the market. That, in</p> <p>11 addition to the fact that collectors are</p> <p>12 defecting to -- and this affects the American</p> <p>13 market as well and to some extent the</p> <p>14 Impressionist and Modern market, collectors are</p> <p>15 defecting en mass to the Contemporary sectors.</p> <p>16 Or, in other words, young</p> <p>17 collectors are going into Contemporary. Very</p> <p>18 few young collectors are moving into these other</p> <p>19 sectors, so they're dying out.</p> <p>20 Q. So when you say "uneven supply"</p> <p>21 that would mean not enough or too many?</p> <p>22 A. It means that it's not enough</p> <p>23 quality. But even if you were to have good</p> <p>24 quality you still have the problem of not enough</p> <p>25 collectors, so it's a two-sided problem.</p>
<p style="text-align: right;">Page 110</p> <p>1 Michael Plummer</p> <p>2 the food in, let's take a break.</p> <p>3 THE VIDEOGRAPHER: The time is</p> <p>4 11:45 a.m., we're going off the record.</p> <p>5 (Off the record)</p> <p>6 THE VIDEOGRAPHER: The time is</p> <p>7 11:52 a.m., and we're back on the record.</p> <p>8 BY MR. SOTO:</p> <p>9 Q. Thank you for your patience here.</p> <p>10 I think you had discussed the third factor that</p> <p>11 you mentioned that you took into account which</p> <p>12 was the malaise and American Art, correct?</p> <p>13 A. Correct.</p> <p>14 Q. Anything more on that issue?</p> <p>15 A. Yes, there's one more thing is that</p> <p>16 in all of these sectors we have business</p> <p>17 dealings and clients and firsthand experience of</p> <p>18 sales, sales that are easy, sales that are hard,</p> <p>19 so that's also important in our reading of the</p> <p>20 market.</p> <p>21 Q. The next thing you mentioned,</p> <p>22 factor 4, was the issues in the Old Masters</p> <p>23 sector which you mentioned the DIA has a large</p> <p>24 collection of, is that correct?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 112</p> <p>1 Michael Plummer</p> <p>2 Q. So that even if the work of the Old</p> <p>3 Masters that is part of the collection at the</p> <p>4 DIA is good quality, your point is --</p> <p>5 A. There aren't enough collectors out</p> <p>6 there to absorb that volume of property.</p> <p>7 Q. The next one you mentioned was</p> <p>8 different Impressionist -- the differences</p> <p>9 between the Impressionist and Modern sector</p> <p>10 versus the Contemporary sector?</p> <p>11 A. Correct.</p> <p>12 Q. What did you mean by that?</p> <p>13 A. I have some examples in my report.</p> <p>14 The Impressionist sector, there have been good</p> <p>15 quality paintings that have come on the market</p> <p>16 that have disappointed in their results.</p> <p>17 Whereas, if the same caliber of</p> <p>18 work had come on the market in the Post War --</p> <p>19 or when the same caliber of art has come on the</p> <p>20 market in the Post War sector it does far better</p> <p>21 and it sometimes even exceeds the estimates.</p> <p>22 Whereas, the others tend to fall short of the</p> <p>23 estimates.</p> <p>24 Q. When you say Contemporary you also</p> <p>25 used the phrase Post War, do you mean the same</p>

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<p style="text-align: right;">Page 113</p> <p>1 Michael Plummer 2 in both? 3 A. They are often used 4 interchangeably. Sotheby's uses only the term 5 Contemporary, Christie's uses Post War and 6 Contemporary. I've fallen into the habit of 7 referring to them somewhat interchangeably 8 because I've worked at both houses. 9 Q. In connection with your analysis of 10 the malaise of the American Art that you 11 referred to earlier, I believe you mentioned all 12 of the factors that you relied on, but you 13 didn't with respect to issues on Old Masters. 14 Is there anything that you relied 15 on for your analysis? 16 A. The same for all the others. I 17 relied on the same factors for all of the 18 sectors. 19 Q. Those would be your knowledge 20 through conversations with people in the art 21 industry, correct? 22 A. Right. 23 Q. Would they also be your knowledge 24 of comparable sales? 25 A. Yes.</p>	<p style="text-align: right;">Page 115</p> <p>1 Michael Plummer 2 A. Well, this is an issue we've gone 3 on record with the auction houses with in the 4 past. Beginning in the downturn of the '90s, 5 Sotheby's took a policy and Christie's soon 6 followed, that because the sales results were 7 looking anemic they decided to start posting the 8 sales results with the buyer's premium and 9 comparing them to the estimates, low and high 10 estimates for the sale which don't include 11 buyer's premium. So in essence they're goosing 12 up their results. 13 So when we do our analysis we go 14 back and manually extract the buyer's premium 15 when making comparisons against low and high 16 estimates so that we gather more accurate 17 results. 18 There are many sales that in the 19 press look like they've come in between the low 20 and high estimates, when in reality they will 21 have fallen short of the low estimate because 22 that buyer's premium is creating this 23 distortion. 24 Q. What is the buyer's premium? I had 25 about an hour conversation about this in our</p>
<p style="text-align: right;">Page 114</p> <p>1 Michael Plummer 2 Q. Would it also be your knowledge of 3 more recent sales that you get through private 4 knowledge? 5 A. Yes. Indices, auctions performance 6 against their estimates; all of the things that 7 I've listed previously for all the other 8 sectors. 9 Q. The indices and the auction 10 performance, those are publicly available 11 information, correct? 12 A. Well, the indices you have to pay 13 to use, but if you paid money you can use them. 14 So I guess in essence they are the same. 15 Q. The same with respect to the public 16 information regarding the results of auctions? 17 A. Yes. However, we compile a lot of 18 information manually and have to because there 19 is a manner in which the auction houses report 20 their information which distorts it. So we 21 often compile and manually arrange it ourselves 22 so that we can decipher it more accurately than 23 how the auction houses report it. 24 Q. How do the auction houses report it 25 that distorts it?</p>	<p style="text-align: right;">Page 116</p> <p>1 Michael Plummer 2 last deposition and I still don't understand it. 3 A. The buyer's premium, I will try to 4 make it straightforward and simple. The buyer's 5 premium is a commission added on by the auction 6 house, and it's a tiered commission, and they've 7 now muddled with it so much that I don't have it 8 as part of my memory anymore. 9 Up to X number it's say 20 or 10 25 percent; up to X number it's the next 11 increment, it drops down to the next thing like 12 15 percent or something, and then after that 13 over 2 million or some such number it drops down 14 to I believe 12 percent. 15 So it can make a differential 16 depending on the value of the works of somewhere 17 around an average of 13 percent to up as high as 18 25 percent in the return. 19 Q. In a real-life hypothetical example 20 using round numbers, let's assume there was a 21 piece of art or even a collection of art that 22 was valued at \$100 million and it was sold at 23 auction, and assuming there was some tiered 24 commission; there would be commissions as you 25 had described for different tiers. That</p>

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<p style="text-align: right;">Page 117</p> <p>1 Michael Plummer 2 commission is paid by whom? 3 A. It's paid by the buyer as part of 4 the purchase price. 5 Q. So if the purchase price was 100 6 million, and just for rounding numbers that are 7 simple, and there was going to be a 10 percent 8 total commission would the buyer have to pay 110 9 million? 10 A. Correct. 11 Q. So your point is that the auction 12 houses started including that additional 10 13 million as part of the sale of the value of the 14 art, correct? 15 A. Which is legitimate, except that 16 when they compare it to the pre-sale estimate 17 which doesn't include it that's buyer's premium. 18 So to use your example, if we said that the 19 estimate was 80 to, let's say the estimate was 20 100 to 120 million and it sold for 100 million 21 and they put on the buyer's premium, it really 22 sold at the low estimate, but once they put the 23 buyer's premium on they would say it sold in 24 between the low and high estimate, which is a 25 distortion of the health of the market.</p>	<p style="text-align: right;">Page 119</p> <p>1 Michael Plummer 2 Q. Is it typical in the industry that 3 it is? 4 A. It depends on the sector, the 5 desirability of the property, the clout of the 6 client, the power of the client's negotiator or 7 agent. There are instances when in highly 8 desirable situations, and we've written about 9 this, a seller gets back part of the buyer's 10 premium as a rebate. 11 Q. So that the seller's commission is 12 lower then, or at least it gets a rebate on 13 that, correct? 14 A. Well, no. I'm saying that the 15 seller's commission might be zero or they might 16 get part of the buyer's premium. 17 Q. As well? 18 A. As well. 19 Q. So it would increase the ultimate 20 return on the sale? 21 A. Correct. 22 Q. You mentioned the impact of the 23 litigation as another factor you took into 24 account? 25 A. Yes.</p>
<p style="text-align: right;">Page 118</p> <p>1 Michael Plummer 2 Q. Understood, and actually very 3 clear, thank you. Just so the Court is aware of 4 the process. Part of the process in an auction, 5 and using our hypothetical round numbers, would 6 be the buyer's premium, the buyer pays that. 7 So then there is this hundred 8 million. From that hundred million, would that 9 go to the seller or would there be other costs 10 deducted before it goes back to the seller? 11 A. If it were indeed a \$100 million 12 item nothing would go back to the house from the 13 seller because they would have a fantastic deal. 14 But if it were an average item of lower value 15 then there would be a seller's commission 16 charged as well, again in the 20 percent range 17 or higher. 18 Q. So the auction house is getting a 19 buyer's premium commission from the buyers and 20 at the same time would be getting a seller's 21 commission from the seller? 22 A. Right. 23 Q. That could be the equivalent of the 24 buyer's commission? 25 A. It could be.</p>	<p style="text-align: right;">Page 120</p> <p>1 Michael Plummer 2 Q. What resources did you use as the 3 basis for that opinion? 4 A. I used research into various other 5 examples that are mentioned in my report. One 6 of the most relevant cases was the Fisk 7 Stieglitz collection, which was tied up in Court 8 for five years by the Attorney General of the 9 state of Tennessee. 10 Q. Anything else? 11 A. There were some other examples I 12 use in the report. I can't remember right now 13 what they are, but they're outlined in the 14 report. 15 Q. Other than the examples in the 16 report, was there anything else that you relied 17 on? 18 A. I don't believe so, other than what 19 is in the report and what materials are 20 referenced in the report. 21 Q. Have you had personal experience in 22 being part of a sale of a collection of art that 23 was held up in litigation? 24 A. No, but I am familiar with the 25 importance of clear title in the selling of art</p>

30 (Pages 117 to 120)

<p style="text-align: right;">Page 121</p> <p>1 Michael Plummer</p> <p>2 at auction and the problems that result. I am</p> <p>3 very sensitive to that issue and aware of its</p> <p>4 relevance.</p> <p>5 Q. In connection with applying this</p> <p>6 factor, did you do any research regarding the</p> <p>7 title of the art at the DIA?</p> <p>8 A. It was in the data that was given</p> <p>9 to me by the DIA which is outlined in the</p> <p>10 report, the donors were listed with the items.</p> <p>11 Q. In addition to the donors being</p> <p>12 listed, was there any information regarding the</p> <p>13 transferability and alienability of the art?</p> <p>14 A. I did not research that.</p> <p>15 Q. So in connection with your opinion</p> <p>16 regarding the impact of that litigation, you</p> <p>17 were assuming, for purposes of this opinion,</p> <p>18 that there might be some concern regarding the</p> <p>19 alienation of this art or the transferability of</p> <p>20 this art, and as such you're applying that</p> <p>21 factor, correct?</p> <p>22 A. I would say that it's more than an</p> <p>23 assumption. I am fairly, certain based on my</p> <p>24 experience in the art market, that there will be</p> <p>25 litigation to stop the sale of art that has been</p>	<p style="text-align: right;">Page 123</p> <p>1 Michael Plummer</p> <p>2 lower their value and/or lower their ability to</p> <p>3 be sold, and that a number of collectors will</p> <p>4 boycott sales.</p> <p>5 There's a practical matter that</p> <p>6 most collectors in America or around the world,</p> <p>7 but particularly in America, are on boards of</p> <p>8 directors -- are on the boards of other</p> <p>9 institutions, and it is hard to imagine many of</p> <p>10 those people bidding publicly or having agents</p> <p>11 bid on their behalf for works of art from the</p> <p>12 DIA, and not then have backlash within the</p> <p>13 institutions which they are supporting.</p> <p>14 Q. Did you do any formal analysis in</p> <p>15 the form of any kind of a survey or attempt to</p> <p>16 do something of a -- some type of analysis of a</p> <p>17 review of various institutions or collectors to</p> <p>18 come to this conclusion?</p> <p>19 A. No, I did not do a survey; but I</p> <p>20 certainly had many collectors and others who</p> <p>21 serve as collectors expressing those comments</p> <p>22 and those feelings.</p> <p>23 Q. How many anecdotal expressions</p> <p>24 would you --</p> <p>25 A. Well --</p>
<p style="text-align: right;">Page 122</p> <p>1 Michael Plummer</p> <p>2 gifted to the museum.</p> <p>3 I should add in addition, I also in</p> <p>4 the course of researching this report did speak</p> <p>5 to various museum professionals on other matters</p> <p>6 such as the art lending and that sort of thing,</p> <p>7 and such issues came up in those conversations</p> <p>8 as well.</p> <p>9 Q. When you say the museum</p> <p>10 professionals, you're talking about</p> <p>11 professionals at the DIA?</p> <p>12 A. No, at other museums.</p> <p>13 Q. In connection with your certainty</p> <p>14 that there would be litigation regarding the</p> <p>15 transfer of any of this art, did you talk to</p> <p>16 anybody at the DIA?</p> <p>17 A. No.</p> <p>18 Q. The next thing you mentioned was</p> <p>19 the impact of taint in the American sector.</p> <p>20 What does that mean?</p> <p>21 A. I think that the sale of -- and I</p> <p>22 address this in several locations in my report,</p> <p>23 the sale of the collection of the DIA will be</p> <p>24 highly criticized and create an aura around</p> <p>25 works from the DIA and their sale that will</p>	<p style="text-align: right;">Page 124</p> <p>1 Michael Plummer</p> <p>2 Q. Excuse me. How many anecdotal</p> <p>3 expressions like that would you say you</p> <p>4 obtained?</p> <p>5 A. 20 to 30.</p> <p>6 Q. Go on, you were going to say</p> <p>7 something.</p> <p>8 A. What was I going to say.</p> <p>9 MR. IRWIN: That's why you started</p> <p>10 your question.</p> <p>11 MR. SOTO: I did not.</p> <p>12 MR. IRWIN: You were talking about</p> <p>13 conversations you had.</p> <p>14 A. Oh, yes. Also, one of my</p> <p>15 consulting specialists worked on the Larry</p> <p>16 Salander bankruptcy and she is responsible for</p> <p>17 liquidating that collection. Her own experience</p> <p>18 with the Larry Salander property is that it has</p> <p>19 a taint about it, and particularly around the</p> <p>20 high end it's difficult to sell.</p> <p>21 There is a general problem in the</p> <p>22 art market when there is -- when something sort</p> <p>23 of has a bad aura around, it can actually affect</p> <p>24 price and salability.</p> <p>25 Q. I'm not familiar with the Larry</p>

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1 Michael Plummer
 2 Salander situation that you're referring to.
 3 What was the bad aura there?
 4 A. Larry Salander is a bankruptcy case
 5 of which there is a lot of public information
 6 on. He had a large collection of property, I
 7 think about 4,000 items, in most of the Old
 8 Masters and 19th Century sectors.
 9 Larry had enormous amounts of
 10 property on consignment and he went bankrupt,
 11 and he owed a lot of consigners money and it was
 12 a very messy case. He I believe is in jail
 13 because of it, there were criminal proceedings
 14 against him.
 15 Q. You don't expect that anyone in the
 16 DIA is going to go to jail in connection with
 17 this bankruptcy, do you?
 18 A. I was not expecting that.
 19 Q. Nobody at the DIA has put their art
 20 on consignment as far as you know, have they?
 21 A. I don't know.
 22 Q. In connection with these seven
 23 factors that we've gone through, do you start
 24 with a basic appraised value and then apply
 25 these seven factors as an additional factor in

1 Michael Plummer
 2 what you're referring to as an evaluation
 3 instead of an appraisal?
 4 A. Could you ask that question again,
 5 please?
 6 Q. I had asked you if you had done an
 7 appraisal and you said no, we did an evaluation?
 8 A. Right.
 9 Q. You gave me the seven factors as
 10 factors that you think are part of an evaluation
 11 that are not typically part of an appraisal,
 12 right?
 13 A. Correct.
 14 Q. What I'm asking is -- I understand
 15 your view on those seven factors. My next
 16 question is do you also do an appraisal to begin
 17 to understand the value of a piece of art and
 18 then apply these additional factors?
 19 A. I want to be careful about
 20 terminology here because I think it can trip us
 21 up. I created a fair market value by using
 22 comparables, which is the industry standard
 23 practice, on the -- which is outlined in the
 24 report on the top 400 some works of art.
 25 Then I combined that with the

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 2 Christie's appraisal and then did a calculation
 3 to estimate the value of the remainder of the
 4 collection, and added those numbers together to
 5 come to an indicative value of the collection on
 6 which I based the other rest of the analysis.
 7 Q. I think that might answer my
 8 question indirectly, but let me make sure. So
 9 you certainly created, as your report says, what
 10 you termed the fair market value analysis of the
 11 top 400 works of art, and you did that by
 12 looking to see if there were any comparables,
 13 correct?
 14 A. Right.
 15 Q. You were looking for public data
 16 that would otherwise tell you something about
 17 the value?
 18 A. Right.
 19 Q. Then after you came to some sense
 20 of that value you also then applied these seven
 21 factors that you just referred to?
 22 A. Yes, but we also looked at the art.
 23 We visited the museum and looked at the art
 24 which was an important factor.
 25 Q. For all 400 pieces?

1 Michael Plummer
 2 A. For most of the 400 pieces. There
 3 were some that were not available to be seen,
 4 but as many as we could.
 5 Q. About 390 plus?
 6 A. I don't remember the exact number,
 7 but a substantial percentage of them.
 8 Q. Would it be over half of it?
 9 A. Well over half of it.
 10 Q. So would it be close to maybe
 11 75 percent of it?
 12 A. I would say 75 percent is a fair
 13 guesstimate.
 14 Q. Let's assume you looked at
 15 300 pieces of art, you did the comparables; in
 16 addition to that you got other publicly
 17 available data regarding the value of the art?
 18 A. Right.
 19 Q. You got publicly available data
 20 regarding the market for that art?
 21 A. Right.
 22 Q. That's the beginning step. You
 23 would then apply these additional seven factors
 24 if they applied in coming to your valuation?
 25 A. On a sector-by-sector basis, yes.

<p style="text-align: right;">Page 129</p> <p>1 Michael Plummer</p> <p>2 Q. And that's why the information that</p> <p>3 you got on those 400, you could also use the</p> <p>4 information that Christie's did on its 1,700</p> <p>5 works of art, correct? Because it was a fair</p> <p>6 market value analysis that included comparables</p> <p>7 and public data, correct?</p> <p>8 A. Correct.</p> <p>9 Q. And you relied on that data?</p> <p>10 A. Yes, I did.</p> <p>11 Q. And then having taken Christie's</p> <p>12 1,700 pieces of art and your additional 400</p> <p>13 pieces, or was it an additional 400 or was it</p> <p>14 part and parcel of the same?</p> <p>15 A. There were some -- we didn't do the</p> <p>16 same pieces Christie's did, we did not overlap</p> <p>17 with them.</p> <p>18 Q. For example, Christie's did</p> <p>19 Bruegel?</p> <p>20 A. We did not do the Bruegel.</p> <p>21 Q. The next thing you did was you took</p> <p>22 that body of information, 1,700 or 2,100 works</p> <p>23 of art, and you extrapolate in some way to come</p> <p>24 to an estimate of the remaining 61,000 pieces of</p> <p>25 art, correct?</p>	<p style="text-align: right;">Page 131</p> <p>1 Michael Plummer</p> <p>2 the rest of the collection that a large part of</p> <p>3 it had no value.</p> <p>4 Q. So you assumed in your estimates</p> <p>5 that about a third of the remaining 61,000 had</p> <p>6 no value?</p> <p>7 A. We extrapolated that yes, a portion</p> <p>8 of the remaining collection had no value.</p> <p>9 Q. That proportion was consistent with</p> <p>10 the proportion that Christie's did?</p> <p>11 A. Because we felt that the City of</p> <p>12 Detroit property was a reasonable representative</p> <p>13 sample of the entire collection.</p> <p>14 Q. So in a macro analysis if the City</p> <p>15 of Detroit collection, if the collection at the</p> <p>16 DIA has 62,000 pieces, your estimate is that</p> <p>17 about a third of that or maybe 20 or 21,000</p> <p>18 pieces have no value, and that the remaining 40</p> <p>19 or 41,000 pieces have value, correct?</p> <p>20 A. Roughly. I'll have to defer to my</p> <p>21 report, to the actual numbers in the report.</p> <p>22 The proportions are approximately correct.</p> <p>23 Q. So that's one of the factors that</p> <p>24 you used in your extrapolation. That is to say</p> <p>25 that which was determined to have no value,</p>
<p style="text-align: right;">Page 130</p> <p>1 Michael Plummer</p> <p>2 A. Correct. But there's an important</p> <p>3 bit of data that we haven't discussed which is</p> <p>4 of the universe of works that Christie's looked</p> <p>5 at, about a third of it had no value. That's an</p> <p>6 important data point in extrapolating any kind</p> <p>7 of value on the collection, that there is a</p> <p>8 significant part of it that doesn't have value.</p> <p>9 Q. Let's again make sure we're</p> <p>10 comparing apples and apples here. The 1,700</p> <p>11 that it did appraise had value?</p> <p>12 A. Um-hum.</p> <p>13 Q. It was asked to appraise some</p> <p>14 additional art that it determined with the</p> <p>15 assistance of the DIA had no value?</p> <p>16 MR. O'REILLY: Objection to form.</p> <p>17 A. No. I would say that Christie's</p> <p>18 was given a list of City of Detroit property</p> <p>19 which was about 3,000 items. Christie's</p> <p>20 determined that of that list about a third of it</p> <p>21 had no value.</p> <p>22 Q. So about a third of it had no value</p> <p>23 which left you with 1,700 or so, correct?</p> <p>24 A. Correct. The fact that a third of</p> <p>25 it had no value was irrelevant to extrapolate on</p>	<p style="text-align: right;">Page 132</p> <p>1 Michael Plummer</p> <p>2 correct?</p> <p>3 A. Correct.</p> <p>4 Q. What other factors did you use in</p> <p>5 your extrapolation?</p> <p>6 A. In the extrapolation we used the</p> <p>7 Christie's data and broke it down by sector, and</p> <p>8 then used the profile of the property in each</p> <p>9 Christie's sector and applied that to each of</p> <p>10 the DIA sectors.</p> <p>11 Q. In essence, and again I want to</p> <p>12 make sure I'm understanding what you're saying;</p> <p>13 if you looked at the Christie's appraisal of</p> <p>14 what you call City of Detroit collection, that</p> <p>15 would include all 3,300 that they were</p> <p>16 originally asked to look at, correct?</p> <p>17 A. Correct.</p> <p>18 Q. So you would extrapolate a third of</p> <p>19 them that had no value. Then you would look at</p> <p>20 okay, the remaining 1,700, of that remaining</p> <p>21 1,700 what was the value of each sector?</p> <p>22 A. Right.</p> <p>23 Q. And then you would extrapolate that</p> <p>24 the remaining art in that sector would have that</p> <p>25 same extrapolation, correct?</p>

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<p style="text-align: right;">Page 133</p> <p>1 Michael Plummer</p> <p>2 A. Correct.</p> <p>3 Q. So that's another factor. You have</p> <p>4 the no value factor, you have the value factor</p> <p>5 that you just gave. What other factors?</p> <p>6 A. At the moment I can't recall if I</p> <p>7 did use other factors.</p> <p>8 MR. SOTO: It's about 12:20, why</p> <p>9 don't we break, let everybody have some lunch,</p> <p>10 then maybe you can think of those other factors</p> <p>11 and then we'll buzz on from here.</p> <p>12 A. Can I add on to the record</p> <p>13 something you asked me about. When you asked me</p> <p>14 about other people that I spoke to about the DIA</p> <p>15 and the testimony and the project, it would of</p> <p>16 course have been internally within my own team</p> <p>17 and my consulting specialists. I just want to</p> <p>18 make sure that was on the record.</p> <p>19 Q. Of course, the specialists that you</p> <p>20 referred to in your report?</p> <p>21 A. Right, right.</p> <p>22 Q. Absolutely. I understood that.</p> <p>23 Thank you for correcting that.</p> <p>24 THE VIDEOGRAPHER: The time is</p> <p>25 12:19 p.m., and we're going off the record.</p>	<p style="text-align: right;">Page 135</p> <p>1 Michael Plummer</p> <p>2 called it a fair market valuation.</p> <p>3 Q. Was there anything that you as an</p> <p>4 expert in the industry would consider a step</p> <p>5 that is typical to an appraisal that Artvest or</p> <p>6 its consultants and specialists didn't do on</p> <p>7 those 400 or so pieces that you just testified</p> <p>8 about?</p> <p>9 A. You're asking me if I feel that</p> <p>10 there was something that an appraisal would have</p> <p>11 that we didn't do?</p> <p>12 Q. With respect to those 400 pieces?</p> <p>13 A. I would say that we used industry</p> <p>14 best practices for setting a fair market value</p> <p>15 on those pieces.</p> <p>16 Q. Just to make it clear to the Court.</p> <p>17 As I understood from some prior depositions I've</p> <p>18 been in that you've probably read, there are a</p> <p>19 number of types of appraisals?</p> <p>20 A. Correct.</p> <p>21 Q. In the art industry?</p> <p>22 A. Correct.</p> <p>23 Q. One of them is in fact called the</p> <p>24 fair market value appraisal?</p> <p>25 A. Correct.</p>
<p style="text-align: right;">Page 134</p> <p>1 Michael Plummer</p> <p>2 (Lunch recess taken)</p> <p>3 THE VIDEOGRAPHER: This begins</p> <p>4 media unit number 3, the time is 1:20 p.m., and</p> <p>5 we're back on the record.</p> <p>6 BY MR. SOTO:</p> <p>7 Q. Mr. Plummer, how are you?</p> <p>8 A. I'm fine, thank you.</p> <p>9 Q. So just before the break I had</p> <p>10 asked -- we had begun a series of questions</p> <p>11 about the appraisal process and you corrected me</p> <p>12 and said that you didn't do an appraisal, you</p> <p>13 did an evaluation, correct?</p> <p>14 A. Correct.</p> <p>15 Q. So in connection with the</p> <p>16 evaluation that was done by Artvest that is the</p> <p>17 basis of your -- or at least one of the bases of</p> <p>18 your expert report in the Chapter 9 proceeding</p> <p>19 in Detroit, did Artvest do any appraisals of any</p> <p>20 art at the DIA?</p> <p>21 A. We established a fair market</p> <p>22 valuation of, as I mentioned earlier, several</p> <p>23 hundred, I think it was around 400 or so items</p> <p>24 using comparable pricing, and it was done by</p> <p>25 people who are trained as appraisers, but we</p>	<p style="text-align: right;">Page 136</p> <p>1 Michael Plummer</p> <p>2 Q. The other one is the auction</p> <p>3 estimate appraisal?</p> <p>4 A. Correct.</p> <p>5 Q. In connection with the 400 pieces</p> <p>6 of art that you were referring to just moments</p> <p>7 ago that Artvest analyzed, is it your testimony</p> <p>8 that on those 400 pieces of art, Artvest</p> <p>9 completed a fair market value appraisal?</p> <p>10 A. We completed a fair market</p> <p>11 valuation.</p> <p>12 Q. So not an appraisal?</p> <p>13 A. We called it a valuation.</p> <p>14 Q. I'm not even concerned about what</p> <p>15 you call it. I'm concerned about whether or not</p> <p>16 we're comparing apples to apples, and when we</p> <p>17 take your 400 pieces of art that you at Artvest</p> <p>18 reviewed and add them to the 1,700 pieces of art</p> <p>19 that Christie's reviewed, which you rely on in</p> <p>20 your report, Christie's described its analysis</p> <p>21 of those 1,700 pieces of art as a fair market</p> <p>22 value appraisal; do you agree with that?</p> <p>23 A. Yes.</p> <p>24 Q. And you reviewed that?</p> <p>25 A. Correct.</p>

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<p style="text-align: right;">Page 137</p> <p>1 Michael Plummer</p> <p>2 Q. You are talking about the</p> <p>3 400 pieces of art that are being evaluated by</p> <p>4 Artvest.</p> <p>5 Is there something that Artvest</p> <p>6 didn't do with those 400 pieces of art that</p> <p>7 would mean that it is not a fair market</p> <p>8 appraisal of those 400 pieces of art?</p> <p>9 A. There's nothing that we didn't do</p> <p>10 that was different from Christie's that would</p> <p>11 make it difficult or impossible to combine those</p> <p>12 two items as similar numbers derived at with</p> <p>13 similar methodologies.</p> <p>14 Q. Then maybe another way of me asking</p> <p>15 this would be so if someone from Christie's</p> <p>16 looked at what you did on those 400 pieces of</p> <p>17 art and looked at what they did on their 1,700</p> <p>18 pieces of art they'd say yeah, that's a fair</p> <p>19 market value appraisal of those 400?</p> <p>20 MR. IRWIN: Form.</p> <p>21 A. I don't know what they would say, I</p> <p>22 can't speculate. I think that they would see</p> <p>23 the logic behind it and say that we used the</p> <p>24 right logic to come up with a fair market value</p> <p>25 on those pieces.</p>	<p style="text-align: right;">Page 139</p> <p>1 Michael Plummer</p> <p>2 Betty was American Art. Sabine was</p> <p>3 Impressionist and Modern Art, Sabine Wilson, and</p> <p>4 Kristin Gary who did Old Master paintings, who's</p> <p>5 also a member of the Appraisers Association of</p> <p>6 America, had worked previously at Colnaghi</p> <p>7 Gallery years ago and is an active dealer and so</p> <p>8 is very aware of current values, as is Sabine as</p> <p>9 well; not a dealer, but very much involved in</p> <p>10 the market.</p> <p>11 Then Joe-Hynn Yang was an expert in</p> <p>12 Asian Art at Sotheby's and Christie's, but also</p> <p>13 has extensive knowledge of the decorative arts</p> <p>14 and three dimensional objects and ancient art,</p> <p>15 and he did the other objects, other</p> <p>16 non-paintings.</p> <p>17 Q. Are any of those individuals, the</p> <p>18 four individuals you've mentioned, Betty, Sabine</p> <p>19 Kristin and Joe-Hynn?</p> <p>20 A. Yes.</p> <p>21 Q. Are they employees of Artvest?</p> <p>22 A. No.</p> <p>23 Q. So they were retained by Artvest to</p> <p>24 do these services?</p> <p>25 A. Correct.</p>
<p style="text-align: right;">Page 138</p> <p>1 Michael Plummer</p> <p>2 Q. In Christie's report, Christie's</p> <p>3 lists the factors that they considered in coming</p> <p>4 up with their appraisal, correct?</p> <p>5 A. Yeah.</p> <p>6 Q. Are there any factors that they</p> <p>7 considered that you did not consider at Artvest</p> <p>8 in coming up with a valuation for the 400 pieces</p> <p>9 of art?</p> <p>10 A. I don't have that list in front of</p> <p>11 me so I can't recall what is exactly on that</p> <p>12 list. To the best of my knowledge, I don't</p> <p>13 believe there is any.</p> <p>14 Q. So who conducted the evaluations as</p> <p>15 you put it, using your term, let's stick with it</p> <p>16 for now.</p> <p>17 Who conducted the evaluations of</p> <p>18 the 400 pieces of art that Artvest did?</p> <p>19 A. Betty Krulik who is President of</p> <p>20 the Appraisals Association and a dealer in</p> <p>21 American Art, who I have a high opinion of and</p> <p>22 most in the industry have a high opinion of.</p> <p>23 Sabine Wilson, who is also a member of the</p> <p>24 Appraisers Association of America and is a very</p> <p>25 talented appraiser.</p>	<p style="text-align: right;">Page 140</p> <p>1 Michael Plummer</p> <p>2 Q. I don't know if you mentioned it as</p> <p>3 to the last one. I know as to Ms. Krulik, Ms.</p> <p>4 Wilson, is it Ms. Gary?</p> <p>5 A. Yes.</p> <p>6 Q. They are members of the American</p> <p>7 Association of Appraisers Or Appraisal</p> <p>8 Association of America, correct?</p> <p>9 A. Correct.</p> <p>10 Q. So they're qualified to do</p> <p>11 appraisals, correct?</p> <p>12 A. Yes.</p> <p>13 Q. Is Joe-Hynn Yang an appraiser?</p> <p>14 A. He is not an appraiser by</p> <p>15 profession, but he has 15 years experience and</p> <p>16 has worked on numerous appraisals for Sotheby's</p> <p>17 and Christie's, and actually worked on the --</p> <p>18 was a critical participant in the driver of the</p> <p>19 Albright-Knox appraisal, which was a museum sale</p> <p>20 that is relevant to this, or irrelevant</p> <p>21 depending on how the circumstances play out.</p> <p>22 Q. You said Albright-Knox?</p> <p>23 A. Albright-Knox, yeah.</p> <p>24 Q. Albright being one name with a</p> <p>25 hyphen?</p>

35 (Pages 137 to 140)

<p style="text-align: right;">Page 141</p> <p>1 Michael Plummer</p> <p>2 A. Yeah, it's referenced in the</p> <p>3 report.</p> <p>4 Q. Why do you say that it's relevant</p> <p>5 here?</p> <p>6 A. Well, it's relevant in the</p> <p>7 differences in that sale for the sale of works</p> <p>8 in the DIA collection, because that was a sale</p> <p>9 which was for the replenishment of the</p> <p>10 acquisition funds. So, basically, property was</p> <p>11 being sold to move the museum from one area into</p> <p>12 another and it did very well, versus a sale</p> <p>13 which was done to satisfy debt, such as the</p> <p>14 Delaware Museum which has evidence of not doing</p> <p>15 well; so they're very different animals. Both</p> <p>16 examples are in the report.</p> <p>17 Q. So on the Delaware, the distinction</p> <p>18 you're making is in one it was a de -- is it</p> <p>19 de-accession?</p> <p>20 A. Deaccession.</p> <p>21 Q. The one you're talking about in the</p> <p>22 Albright-Knox, that was a deaccession?</p> <p>23 A. Albright-Knox was a deaccession,</p> <p>24 yes.</p> <p>25 Q. And the other one was not a</p>	<p style="text-align: right;">Page 143</p> <p>1 Michael Plummer</p> <p>2 So it's not like frowned upon, but there are</p> <p>3 sanctions in Russia now for what it's doing.</p> <p>4 It's public approbation and there</p> <p>5 are organizational approbations for doing such</p> <p>6 things and the museum could lose its</p> <p>7 certification as a museum.</p> <p>8 Q. How many museums are you aware of</p> <p>9 that are owned by a city?</p> <p>10 A. I don't know.</p> <p>11 Q. In the process of being an expert</p> <p>12 for this particular matter, did you take time to</p> <p>13 determine how many museums in America are owned</p> <p>14 by a city?</p> <p>15 A. I did not.</p> <p>16 Q. It is your understanding that the</p> <p>17 DIA is owned by the City of Detroit, correct?</p> <p>18 A. It is my understanding.</p> <p>19 Q. Was the Delaware museum that you</p> <p>20 are talking about owned by the City of Delaware?</p> <p>21 A. I don't believe that it is.</p> <p>22 Q. Or even the State of Delaware? You</p> <p>23 don't know?</p> <p>24 A. I don't believe it is.</p> <p>25 Q. Do you have any other examples</p>
<p style="text-align: right;">Page 142</p> <p>1 Michael Plummer</p> <p>2 deaccession?</p> <p>3 A. The other was a deaccession, but it</p> <p>4 was a sale for the purpose of paying down debt,</p> <p>5 rather than replenishing the collection of the</p> <p>6 fund, the collection of the museum.</p> <p>7 Q. I thought deaccession meant you are</p> <p>8 selling it in order to replenish the collection</p> <p>9 with some other form of collection, or something</p> <p>10 like that?</p> <p>11 A. It's my understanding deaccession</p> <p>12 is part of the process of removing a work of art</p> <p>13 from a collection, after which then steps are</p> <p>14 taken to sell it.</p> <p>15 Q. So that can be sold for any number</p> <p>16 of reasons, correct?</p> <p>17 A. It can be sold for any number of</p> <p>18 reasons.</p> <p>19 Q. It's your theory that in the art</p> <p>20 world if it's sold to retire debt, people don't</p> <p>21 like those sales?</p> <p>22 A. It's not only my theory, it</p> <p>23 actually runs into some real practical</p> <p>24 obstacles, such as there are various sanctions</p> <p>25 that are imposed against museums for doing that.</p>	<p style="text-align: right;">Page 144</p> <p>1 Michael Plummer</p> <p>2 other than those two that you think are</p> <p>3 relevant?</p> <p>4 A. I think there are some other</p> <p>5 examples on my report.</p> <p>6 Q. That's why I asked that last part</p> <p>7 that you think are relevant to this issue that</p> <p>8 we're discussing today?</p> <p>9 A. I think those two and some other</p> <p>10 examples in my report are relevant.</p> <p>11 Q. The four individuals that you</p> <p>12 mentioned, I guess you already mentioned that</p> <p>13 Mr. Yang is not a certified appraiser. Are the</p> <p>14 other three certified appraisers?</p> <p>15 A. The other three are certified</p> <p>16 appraisers, but Mr. Yang has the equivalence of</p> <p>17 what the Appraisers Association considers</p> <p>18 certification. He has significant auction house</p> <p>19 experience similar to the experts at Christie's</p> <p>20 who worked on the Christie's appraisal.</p> <p>21 Q. Did you personally conduct any</p> <p>22 appraisals in connection with this expert</p> <p>23 report?</p> <p>24 A. I did not personally. I worked</p> <p>25 with the specialists on their appraisals and</p>

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1 Michael Plummer

2 reviewed all of their numbers.

3 Q. When you say you worked with, what
4 does that mean?

5 A. I discussed it with them, I
6 reviewed it.

7 Q. Did you change any of their
8 opinions?

9 A. No, I did not change them and any
10 changes that were made, they made. I did not
11 change their numbers.

12 Q. Did you think any of their work was
13 incorrect?

14 A. To the extent that it was we had a
15 discussion about it and then any changes were
16 made.

17 Q. Can you recall any such instances?

18 A. There were some small adjustments
19 that were made. It wasn't a matter of
20 correction but more a matter of opinion, should
21 it be this much higher or that much lower, that
22 sort of thing, based on comps and different
23 things.

24 Q. Did anyone else other than the four
25 individuals you mentioned and yourself, did

1 Michael Plummer

2 overlap, just like there might be a contemporary
3 piece that Betty might have expertise on, even
4 though she was dealing with America pre-1950,
5 and Sabine and Betty might confer on pieces.

6 Q. Other than the five of you, was
7 anyone else involved in that process?

8 A. No.

9 Q. How did you ensure quality control
10 of the process?

11 A. Well, we did the first round of
12 comps, first checks for them. We had a process
13 in place that we thought was sound. We did the
14 first round of comps for them. We then -- they
15 then either visited the museum or used high res
16 images or the website images enhanced, in most
17 cases did both.

18 Actually, all of our appraisers
19 visited the museum which we felt was rather
20 important to the process, except for one of
21 them, Betty, who actually had -- knew the
22 collection well and had visited the museum many
23 times previously, so she was already very
24 familiar with the paintings in the collection.

25 But Sabine, myself, Joe-Hynn Yang

1 Michael Plummer

2 anyone else assist in the appraisal process?

3 A. No.

4 Q. You mentioned different areas of
5 specialty with respect to the specialists that
6 you had referred to?

7 A. Right.

8 Q. How did you divide the appraisals,
9 or evaluations as you called them, among these
10 consultants?

11 A. Based on their expertise.

12 Q. After the specialists came up with
13 their valuations, I think you just testified
14 that you reviewed them?

15 A. Right.

16 Q. Did anyone else review them?

17 A. Well, we worked in a fashion that
18 we all worked off of a common document on Google
19 Documents, so they were open for review by the
20 others on the team.

21 Q. So that each person could comment
22 on the other person's work?

23 A. Yes, and in some instances there
24 were comments made and some consultations.

25 There are a couple of instances where there was

1 Michael Plummer

2 and Kristin all visited the museum, and we feel
3 actually that our visit actually explains why
4 there are some discrepancies between our
5 appraisals and the other appraisals, because
6 those visits in the first-hand inspection
7 actually made a difference, and that was one of
8 the ways we ensured quality control.

9 Q. As I understand your testimony, the
10 way you ensured quality control is that you
11 visited the museum?

12 A. That was one way.

13 Q. What was the other way?

14 A. The other way was that we did the
15 first round of comps, then the specialists did
16 their own additional comps, and then they -- we
17 reviewed -- they put their logic in of how they
18 came to their conclusions and then we reviewed
19 those and came up with final numbers.

20 Q. When you say "we did the first
21 round of comps" who's the "we"?

22 A. Artvest, my team.

23 Q. That was you?

24 A. And Anya, and another woman who was
25 working for us on a temporary basis.

<p style="text-align: right;">Page 149</p> <p>1 Michael Plummer</p> <p>2 Q. Who was that?</p> <p>3 A. Her name was Perry Silverman.</p> <p>4 Q. Perry?</p> <p>5 A. Perry.</p> <p>6 Q. P-e-r-r-y?</p> <p>7 A. Yes; and she had had experience in</p> <p>8 searching for comps at Christie's.</p> <p>9 Q. Were you aware of the fact that</p> <p>10 Christie's didn't -- not all of the specialists</p> <p>11 who worked for Christie's analysis of the 1,700</p> <p>12 visited the museum?</p> <p>13 A. No, I know all of them didn't, but</p> <p>14 a number of them did.</p> <p>15 Q. So were you concerned in relying on</p> <p>16 Christie's analysis that some of their</p> <p>17 specialists didn't visit the museum?</p> <p>18 A. No, because I think the important</p> <p>19 fact was that a core group of Christie's did.</p> <p>20 It's not that each expert has to see each piece,</p> <p>21 it's just that they are a representative from</p> <p>22 the body doing the appraisal, visiting the</p> <p>23 museum and seeing it. They can then compare</p> <p>24 notes, they can take a photograph and they can</p> <p>25 talk to the other.</p>	<p style="text-align: right;">Page 151</p> <p>1 Michael Plummer</p> <p>2 A. No, I don't. I don't remember.</p> <p>3 Q. So when you say it's important to</p> <p>4 have a core group but not all go, if not all</p> <p>5 went it may be that some of the sectors were</p> <p>6 simply not seen personally, correct?</p> <p>7 A. I don't remember which sectors were</p> <p>8 seen. I would be surprised if an important</p> <p>9 sector such as Old Masters or American had not</p> <p>10 been viewed, in particular because those sectors</p> <p>11 are the largest sectors.</p> <p>12 Q. So visiting the museum you say is</p> <p>13 important, correct?</p> <p>14 A. Seeing the subject work is</p> <p>15 important.</p> <p>16 Q. Why is that?</p> <p>17 A. Because you see the physical nature</p> <p>18 of the object. You can miss things in</p> <p>19 photographs. Like, for instance, we put a much</p> <p>20 higher value on a Daga that when you see it up</p> <p>21 close -- than Winston did -- that when you see</p> <p>22 it up close it's smudged and it's incomplete and</p> <p>23 unfinished it's just a sketch; where Winston</p> <p>24 didn't see it and they gave it a much higher</p> <p>25 value because they thought it was a more</p>
<p style="text-align: right;">Page 150</p> <p>1 Michael Plummer</p> <p>2 Q. So is it your understanding that</p> <p>3 the Christie's individuals who were doing the</p> <p>4 Old Masters visited the museum and reviewed the</p> <p>5 other works?</p> <p>6 A. I don't remember which individual</p> <p>7 experts visited the museum and which didn't, but</p> <p>8 I know that a core group of Christie's</p> <p>9 specialists did go to the museum and did examine</p> <p>10 the works.</p> <p>11 Q. Right. I heard you say that</p> <p>12 before. What I'm asking is different. What I'm</p> <p>13 asking is that core group, wouldn't they have</p> <p>14 been involved in only reviewing the area of art</p> <p>15 that they were interested in?</p> <p>16 MR. IRWIN: Form.</p> <p>17 A. No, not necessarily.</p> <p>18 Q. Do you know whether or not they</p> <p>19 were or weren't?</p> <p>20 A. At this point I don't remember who</p> <p>21 did which set of appraisals and who did not.</p> <p>22 Q. You don't know whether a person who</p> <p>23 did a set of appraisals for American Art, for</p> <p>24 example, also took the time to review the Old</p> <p>25 Masters, do you?</p>	<p style="text-align: right;">Page 152</p> <p>1 Michael Plummer</p> <p>2 complete and finished picture.</p> <p>3 Q. Any other reason?</p> <p>4 A. Another reason would be size. You</p> <p>5 get a sense of a picture, its power on the wall,</p> <p>6 and you're imagining something based on a</p> <p>7 dimension. But to actually see the picture and</p> <p>8 see how it works on a wall is completely</p> <p>9 different from just looking at it as a picture</p> <p>10 on a piece of paper.</p> <p>11 Q. Anything else?</p> <p>12 A. Condition, you get a better sense</p> <p>13 of condition. Now, there may be good condition</p> <p>14 notes that can offset that, but sometimes you</p> <p>15 can see things that may not be captured by</p> <p>16 another person who might have given the</p> <p>17 condition report.</p> <p>18 Q. Anything else?</p> <p>19 A. There are other subjective</p> <p>20 components that an expert would give you, just a</p> <p>21 feeling about it subjectively by seeing it in</p> <p>22 person that you can't convey in a photograph.</p> <p>23 Q. What would those be?</p> <p>24 A. You know, a feeling for whether</p> <p>25 something was -- the shape of it, the look of it</p>

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1 Michael Plummer
2 in the third dimension, what it was,
3 particularly a sculpture, whether it was real or
4 fake, for example. That it looked better in
5 person than it did in the photograph.

6 One of the arts of the auction
7 business is to make things look better in the
8 catalog than they actually do in real life, and
9 so that's one of the major talents. Having run
10 marketing at Sotheby's I can tell you that we
11 had trained photographers who made things look
12 better than they really did, so a photograph can
13 do that.

14 Q. These subjective elements as you
15 called them and these personal reviews that you
16 are referring to, they can cut both ways.
17 Somebody can look at a piece of art as you did
18 and say wow, that's more valuable than it looks
19 in the photo and somebody can look at it and say
20 that's less valuable, is that correct?

21 A. Correct.

22 Q. So in connection with the work that
23 you were doing you reviewed or your people
24 reviewed personally 400 works of art, correct?

25 A. Correct.

1 Michael Plummer
2 Q. You don't know how many works of
3 art were personally reviewed by Christie's you
4 testified about earlier?

5 A. I don't.

6 Q. You understand that even added
7 together, the Christie's and your art, you're
8 looking at maybe less than 5 percent or around
9 5 percent of the entire collection of the DIA,
10 correct?

11 A. In terms of numbers, raw numbers,
12 yes.

13 Q. Does it concern you that somebody
14 who looked at some significantly smaller
15 percentage of 5 percent is extrapolating to the
16 value of the entire collection of 62,000 pieces
17 of art.

18 Did you want those people to look
19 at more art?

20 MR. IRWIN: Vague, form.

21 A. I would not use the word
22 extrapolate. We used a formula based by sector
23 using the Christie's sample to develop a value,
24 and we thought what we had was adequate for our
25 purposes.

1 Michael Plummer

2 Q. What word would you use if you
3 didn't use extrapolate, what do you call what
4 you're doing?

5 A. We made an analysis of the
6 collection and made a projection based on the
7 data by sector that Christie's had done, that
8 was a reasonable universe of sampling of the DIA
9 collection.

10 Q. So in other words, you relied on
11 Christie's review, you looked at that percentage
12 for each sector, and then you applied the
13 formula that you just referred to to the entire
14 rest of the collection in that sector, correct?

15 A. Right.

16 Q. So that if indeed of the original
17 1/3 of the works of art that were deemed of too
18 little value to be appraised, if 10 percent of
19 those were Old Masters, then you apply that same
20 10 percent figure in your Old Masters as to what
21 was too little value to be appraised, correct?

22 A. Correct.

23 Q. You don't think that's an
24 extrapolation?

25 A. You can use extrapolation, I use my

1 Michael Plummer
2 language. I prefer to say that we made a
3 calculation or an analysis.

4 Q. Do you have a word for that besides
5 what you just described?

6 MR. O'REILLY: Form.

7 A. The words I used.

8 Q. All right. On page 20 of your
9 report. As you're turning to page 20, did you
10 have someone on your staff who was doing the
11 statistical analysis, running the sampling
12 analysis that you used for the process that you
13 described earlier?

14 A. Yes.

15 Q. Who was that?

16 A. That would be Mr. Anya Bemis.

17 Q. Is Anya Bemis a statistician so
18 that she would know what is an appropriate
19 sample of a given body of art to extrapolate
20 from?

21 A. Anya Bemis is not a statistician.

22 Q. Did you have a statistician so that
23 you could appropriately opine that looking at
24 some segment of 5 percent of the art at the DIA
25 enables you to extrapolate or to apply the

1 Michael Plummer
 2 process that you described in the way that you
 3 described to the rest of the art?
 4 A. We do not have a statistician. It
 5 was our opinion that that was -- our methodology
 6 was sound.
 7 Q. You based that opinion on what?
 8 A. On my own professional experience
 9 in the art market.
 10 Q. Again, are you a statistician?
 11 A. No, I am not a statistician.
 12 Q. Are you a sampler?
 13 A. I am not a sampler.
 14 Q. You are not an appraisers either,
 15 correct?
 16 A. I am not an appraiser.
 17 Q. You mention on page 20 of your
 18 report that you did not interact with the museum
 19 staff directly, but rather communicated only
 20 through DIA counsel in conducting the appraisal,
 21 correct?
 22 A. Correct.
 23 Q. Would you normally communicate with
 24 the museum staff when you were conducting an
 25 appraisal or an evaluation, as you put it?

1 Michael Plummer
 2 MR. O'REILLY: Form.
 3 A. It depends on the circumstances.
 4 Perhaps in a different circumstance I might, but
 5 in this situation it did not feel appropriate.
 6 Q. Did this hinder your evaluation of
 7 the art?
 8 A. No, it did not.
 9 Q. There wasn't anything you wanted to
 10 ask the folks at the DIA about a given piece of
 11 art, about maybe some of the subjective factors
 12 that you mentioned earlier that you couldn't get
 13 from your lawyers?
 14 A. There was nothing that we needed
 15 that we couldn't get.
 16 Q. How many times have your lawyers
 17 visited the DIA?
 18 A. I don't know.
 19 Q. You didn't ask?
 20 A. How many times did our lawyers
 21 visit the DIA?
 22 Q. Yes.
 23 A. I don't understand its relevance.
 24 Q. Didn't you just say it's important
 25 in assessing art that they should see it

1 Michael Plummer
 2 personally?
 3 A. But our lawyers weren't involved in
 4 the assessing of the art.
 5 Q. You didn't communicate with anybody
 6 at the DIA who was involved in the art, did you?
 7 You only communicated with your lawyers,
 8 correct?
 9 A. Right; and any information that we
 10 used in terms of the subjective issues of the
 11 art we garnered ourselves from visiting the
 12 museum.
 13 Q. That instance where you didn't
 14 visit the museum, for example, the one person
 15 who you said didn't, what did you rely on there?
 16 A. Betty Krulik.
 17 Q. Yes.
 18 A. Well, Betty had been to the museum
 19 multiple times and was exceptionally familiar
 20 with the collection and all the pieces that were
 21 in it. So she didn't need to because she had
 22 already done so multiple times.
 23 Q. When you went to the museum were
 24 you allowed to handle the art?
 25 A. No.

1 Michael Plummer
 2 Q. Is it customary to handle art in
 3 connection with an appraisal?
 4 A. It is desirable to do so if you
 5 can, but that would have been disruptive to the
 6 museum and we did not do it.
 7 Q. Turning to page 17 of your report?
 8 A. Sure.
 9 Q. I'm looking at what's under the
 10 label Group 1?
 11 A. Yes.
 12 Q. "High value COD works that were
 13 appraised by Christie's for greater than
 14 \$750,000 (68 items)."
 15 A. Right.
 16 Q. Did you rely exclusively on
 17 Christie's valuation of those high value pieces
 18 of art?
 19 A. I'm not sure what you mean by that,
 20 relied exclusively on them.
 21 Q. I guess what I'm trying to figure
 22 out is did Artvest do an independent analysis of
 23 any form in connection with the high value City
 24 of Detroit works that were appraised by
 25 Christie's as being greater than \$750,000?

<p style="text-align: right;">Page 161</p> <p>1 Michael Plummer</p> <p>2 A. We looked at their valuations and</p> <p>3 reviewed them, but we did not separately set</p> <p>4 values for them. We reviewed them, we found</p> <p>5 them to be accurate and reasonable and relied</p> <p>6 upon them.</p> <p>7 Q. You didn't change them at all?</p> <p>8 A. We did not change them.</p> <p>9 Q. Did you find the wide range of</p> <p>10 values that were provided by Christie's at all</p> <p>11 unusual?</p> <p>12 A. It was not their normal practice.</p> <p>13 Q. So the answer is it was a little</p> <p>14 bit out of the ordinary?</p> <p>15 A. It was a little bit out of the</p> <p>16 ordinary, but it did not make them unusable.</p> <p>17 Q. Did you -- looking at page 17,</p> <p>18 Group 2. It includes City of Detroit or</p> <p>19 actually "COD works" they call them City of</p> <p>20 Detroit works, "appraised by Christie's of lower</p> <p>21 value, that under \$750,000 including property</p> <p>22 for which they assigned limited or no value" and</p> <p>23 the number is 1,654 with a value and 1,038 with</p> <p>24 limited to no value, and 13 that were combined</p> <p>25 in Phase III?</p>	<p style="text-align: right;">Page 163</p> <p>1 Michael Plummer</p> <p>2 the DIA provide you or Artvest with?</p> <p>3 A. They provided us with a report</p> <p>4 which is mentioned in here which had an image,</p> <p>5 the description, the provenance, the methodology</p> <p>6 that it was -- sorry, what funds were used to</p> <p>7 purchase it, and there was some other</p> <p>8 information which I can't quite remember right</p> <p>9 now. Then we of course did additional research</p> <p>10 to supplement what was given to us.</p> <p>11 Q. What's the provenance?</p> <p>12 A. Provenance is the ownership history</p> <p>13 of a work of art. So if it comes out of an</p> <p>14 important family or a sequence of owners who are</p> <p>15 prominent, it can raise the value of a work of</p> <p>16 art.</p> <p>17 Q. What additional resources did you</p> <p>18 look at to supplement what you got from the DIA?</p> <p>19 A. The DIA's own website, some of the</p> <p>20 DIA's own publications and other publications</p> <p>21 and catalog resumes, most of which are referred</p> <p>22 to in this document.</p> <p>23 Q. In your report?</p> <p>24 A. Yeah.</p> <p>25 Q. Anything other than what's referred</p>
<p style="text-align: right;">Page 162</p> <p>1 Michael Plummer</p> <p>2 A. Right.</p> <p>3 Q. That was the total COD appraised,</p> <p>4 reviewed items by Christie's was 2,773, correct?</p> <p>5 A. Correct.</p> <p>6 Q. In this instance did you rely</p> <p>7 exclusively on Christie's valuation for these</p> <p>8 pieces?</p> <p>9 A. Yes, we did.</p> <p>10 Q. Were you satisfied with Christie's</p> <p>11 valuation?</p> <p>12 A. Yes, we were.</p> <p>13 Q. Did you conduct any additional</p> <p>14 analysis or appraisal of these pieces?</p> <p>15 A. We did not.</p> <p>16 Q. Looking on page 18, Group 3.</p> <p>17 Includes "high value, non-COD works in the DIA</p> <p>18 collection." Do you see that?</p> <p>19 A. Yeah.</p> <p>20 Q. "Contained on a list provided by</p> <p>21 the DIA of works that the DIA valued for</p> <p>22 insurance purposes or otherwise of 1 million or</p> <p>23 more, totaling 350 works." Do you see that?</p> <p>24 A. Yes.</p> <p>25 Q. Specifically, what information did</p>	<p style="text-align: right;">Page 164</p> <p>1 Michael Plummer</p> <p>2 to in your report?</p> <p>3 A. I subsequently found six other</p> <p>4 books that were referred to that were</p> <p>5 inadvertently excluded, and I can supply that</p> <p>6 list.</p> <p>7 (*r) MR. SOTO: So when you supply me</p> <p>8 with some of the other things like the</p> <p>9 pioneering report and some other things like</p> <p>10 that, I would love to have that list.</p> <p>11 A. Sure.</p> <p>12 Q. Who provided you the materials that</p> <p>13 you got from the DIA?</p> <p>14 A. Counsel.</p> <p>15 Q. Did the DIA provide you with any</p> <p>16 documentation as to appraisals that they had</p> <p>17 conducted previously on any of the art that you</p> <p>18 were interested in?</p> <p>19 A. Later on in the process we received</p> <p>20 a document that had values in it which we</p> <p>21 thought might have been insurance values. They</p> <p>22 were, however, so whacky, for lack of a better</p> <p>23 word, that we had trouble figuring out really</p> <p>24 what they were because they didn't have, except</p> <p>25 in a couple of instances, they didn't bear much</p>

41 (Pages 161 to 164)

1 Michael Plummer
2 on reality.
3 I wouldn't say a couple of
4 instances, there were more than a couple of
5 instances; but in too many instances they were
6 unreliable and way off.

7 Q. They were way off in which
8 direction, too valuable or too little?

9 A. Every way; too little, too high.

10 Q. Did you ever ask anyone at the DIA
11 what is this, who prepared this?

12 A. No. It was -- it seemed not to
13 matter. We came to our opinions as to how it
14 might have happened but it didn't matter, it was
15 not usable.

16 Q. What was your own opinion that you
17 arrived at?

18 A. That curators were sticking numbers
19 on things for various reasons and they didn't
20 have the market experience to do that. They
21 were just sort of randomly assigning numbers
22 either based on personal bias or a lack of
23 either underestimating or overestimating.

24 Q. Have you produced that information,
25 the whacky numbers that you got, in connection

1 Michael Plummer
2 with that report?

3 A. Have I produced it?

4 Q. Yes.

5 A. No. It's listed here.

6 Q. It's one of the items listed?

7 A. I believe so.

8 Q. If it's one of the items listed
9 it's produced with your report.

10 Did you know that, if it's listed
11 it was produced to me?

12 A. I didn't know that.

13 MR. SOTO: That's right, Geoff?

14 MR. IRWIN: Yes, that specific item
15 was produced.

16 MR. SOTO: I'm assuming that if
17 it's listed as something that you based your
18 report on, we received it in a plethora of
19 materials that we received from the City and
20 DIA.

21 MR. IRWIN: So the answer to that
22 is yes, as far as I know.

23 BY MR. SOTO:

24 Q. Did the DIA, as far as you know,
25 provide you with any documentation as to the

1 Michael Plummer

2 insurance values of the works of art?

3 A. No. I mean other than that report
4 I told you which may have been insurance values
5 or may not, but there is no supplemental
6 information.

7 Q. But you don't know whether it was
8 or wasn't?

9 A. I don't know whether it was or
10 wasn't.

11 Q. Got it. Did you obtain any
12 documents from the City of Detroit regarding the
13 value of the art?

14 A. No. Wait, I don't think so. Let
15 me think for a moment. I don't.

16 Q. So that it's clear, and I think you
17 may have said this earlier. Was each of these
18 350 items individually evaluated or appraised by
19 your team?

20 A. Yes.

21 Q. Each of them, appraisals or
22 evaluations as you call them, they may be
23 evaluations, documented in Exhibit G of your
24 report?

25 A. I'm sorry, ask me that again.

1 Michael Plummer

2 Q. Was each of these evaluations or
3 appraisals, however up want to say that
4 document, in Exhibit G of your report on page
5 72?

6 A. Yes, but there are some additional
7 work notes that were not summarized here that
8 are available and can be supplied.

9 Q. Turning to page 72. I see a blank
10 page that says "Exhibit G" there?

11 A. Right.

12 Q. Then it goes on actually from there
13 on, Exhibit G?

14 A. Right.

15 Q. In addition to what's there in your
16 report, which is the vast majority of the pages
17 in your report; in addition to that there are
18 some additional work pages that you have?

19 A. Yes.

20 Q. How many of those exist?

21 A. It's a large file. One of my
22 appraisers did -- was uncomfortable putting the
23 appraisal logic into this report and she
24 compiled separate documents for each one because
25 that's how she prefers to work, so I have a file

1 Michael Plummer
 2 for all those.
 3 Q. Which appraiser is that?
 4 A. Sabine Wilson.
 5 (*r) MR. SOTO: Again counsel when we
 6 make our request we will request that file,
 7 we'll make copies and obviously give you back
 8 the originals.
 9 A. We have it in electronic form.
 10 Q. That's even better. Thanks. What
 11 is this Exhibit G, in your own description?
 12 A. This is our reasoning to come up
 13 with a fair market valuation of these items.
 14 Q. Who prepared this Exhibit G?
 15 A. The appraisers that were described
 16 to you earlier, as reviewed by me.
 17 Q. So they took the data that they had
 18 collected and they input it on a form that you
 19 guys had all agreed to use?
 20 A. A Google document, yeah.
 21 Q. A Google document, and that became
 22 Exhibit G, is that correct?
 23 A. Yes.
 24 Q. With the exception of one person
 25 who had additional information?

1 Michael Plummer
 2 A. Correct.
 3 Q. That additional information by
 4 Sabine Wilson, did she also input at least some
 5 of the information that's here in Exhibit G?
 6 A. The values were input, but the
 7 summarization she did not.
 8 Q. So this spreadsheet identifies
 9 specific works of art that includes high and low
 10 estimated values for each, correct?
 11 A. Correct.
 12 Q. Recognizing that there are some
 13 descriptions that may be missing that you're
 14 going to supply in this additional
 15 documentation, was every piece of art listed in
 16 Exhibit G individually appraised?
 17 A. Yes. It was individually reviewed
 18 to arrive at a fair market valuation.
 19 Q. Were other pieces that are not
 20 listed -- pieces of art at the DIA that are not
 21 listed in your Exhibit G, were other pieces
 22 appraised by folks at Artvest or who were
 23 working for Artvest?
 24 A. We evaluated other pieces, they are
 25 mentioned in that page as a sub group that we

1 Michael Plummer
 2 identified 73 other pieces that we thought had
 3 been missed in the list that we had been given
 4 by the DIA.
 5 It was our sort of double-check on
 6 making sure that we were including and weren't
 7 undercounting what we were reviewing.
 8 Q. You were reviewing pieces of art
 9 worth?
 10 A. Over 750,000. We photographed
 11 those items while in the DIA and then went back
 12 and researched them. I put an estimate in here
 13 at the time because that was rather late in the
 14 process that we thought it might come in between
 15 80 and 160 million, and that I would provide
 16 supplemental information after the fact.
 17 We have now finished that
 18 evaluation and it has come in to 70 million to
 19 122 million, so it's lower than -- a little bit
 20 lower than the low and a good bit lower than the
 21 high.
 22 Q. So of these 73 additional pieces of
 23 art you're saying they came in at a low value of
 24 70 million and a high value of 122 million?
 25 A. Correct.

1 Michael Plummer
 2 Q. Let me see if I understand the
 3 process that you started with again. So you got
 4 a list of 350 or so pieces of art, correct?
 5 A. Right.
 6 Q. You got that from the DIA, correct?
 7 A. Well, actually it was a larger list
 8 and the overlap -- there was an overlap with
 9 Christie's, so that ended up netting down to
 10 350.
 11 Q. This large list was supposed to be
 12 works of art worth more than 750,000, correct?
 13 A. Correct.
 14 Q. Once you deducted the overlap you
 15 had 350,000?
 16 A. 350, Right.
 17 Q. How did you find the other 73?
 18 What did you do to find the other 73?
 19 A. Walking through the museum and
 20 selecting objects that we thought might possibly
 21 be of higher value, and then coming back and
 22 researching, and knowing that they weren't on
 23 the list, cross-checking against the list then
 24 assigning values to them.
 25 Q. Separate and apart from that

<p style="text-align: right;">Page 173</p> <p>1 Michael Plummer</p> <p>2 walk-through, did anyone at Artvest actually</p> <p>3 look at the list of 62,9000 items of art, the</p> <p>4 data that was given to you about that art,</p> <p>5 including the images and the valuations and</p> <p>6 everything else, to determine if the list that</p> <p>7 the DIA had given you was incomplete in any</p> <p>8 other way?</p> <p>9 You did the walk-through, you found</p> <p>10 out that it was incomplete, at least for 73</p> <p>11 items. Did you then look at the list to find</p> <p>12 out well look, there's a lot of pieces of art</p> <p>13 here that are in storage, maybe there's more</p> <p>14 pieces of art that are more valuable that we</p> <p>15 should be considering as well?</p> <p>16 MR. O'REILLY: Objection to form.</p> <p>17 A. We looked at the list, but we</p> <p>18 determined that going to the museum was the best</p> <p>19 process because the information on the list</p> <p>20 didn't seem to be helpful enough for that</p> <p>21 purpose.</p> <p>22 Q. Do you know if there are any pieces</p> <p>23 of art that are being stored that are not in the</p> <p>24 museum that are worth more than \$750,000 at the</p> <p>25 DIA, as you sit here today?</p>	<p style="text-align: right;">Page 175</p> <p>1 Michael Plummer</p> <p>2 has Betty Krulik's name on it. Then going</p> <p>3 across it talks about a 1985 oil on canvas,</p> <p>4 Mitchell pieces are in, do you see that?</p> <p>5 A. I'm not sure where you are.</p> <p>6 MR. IRWIN: Me neither.</p> <p>7 Q. It looks like this (indicating).</p> <p>8 MR. IRWIN: Here, take mine, we'll</p> <p>9 swap.</p> <p>10 A. Okay.</p> <p>11 Q. Do you see where it says "Summary</p> <p>12 Not Provided"?</p> <p>13 A. Right.</p> <p>14 Q. It has several of them going down</p> <p>15 the page and a few after that on the next page?</p> <p>16 A. Right.</p> <p>17 Q. Is that the instances that you were</p> <p>18 referring to earlier where Sabine Wilson didn't</p> <p>19 provide the information?</p> <p>20 A. Right.</p> <p>21 Q. And that's the information you're</p> <p>22 going to provide to us later?</p> <p>23 A. Correct.</p> <p>24 Q. I just want to make sure. Turn to</p> <p>25 page 18 of your report, that's 18 of 72. Do you</p>
<p style="text-align: right;">Page 174</p> <p>1 Michael Plummer</p> <p>2 A. Can you ask the question?</p> <p>3 Q. Do you know as you sit here today</p> <p>4 whether or not there are any additional pieces</p> <p>5 of art that are worth more than 750,000 that are</p> <p>6 stored by the DIA, not being shown at the DIA</p> <p>7 right now?</p> <p>8 A. I do not know whether there are or</p> <p>9 not.</p> <p>10 Q. Does anyone else at Artvest know</p> <p>11 that?</p> <p>12 A. No.</p> <p>13 Q. So looking at page 13 of your</p> <p>14 spreadsheet. I think it's what you described to</p> <p>15 me earlier but I want to make sure. It's a</p> <p>16 column that doesn't have information in it so I</p> <p>17 want to make sure that's what you were referring</p> <p>18 to earlier.</p> <p>19 MR. IRWIN: Is it the 13th page in</p> <p>20 this document?</p> <p>21 MR. SOTO: Yes.</p> <p>22 MR. IRWIN: Okay. So we'll all get</p> <p>23 to that.</p> <p>24 Q. It starts on the top with</p> <p>25 paintings, Contemporary Art after 1950, and it</p>	<p style="text-align: right;">Page 176</p> <p>1 Michael Plummer</p> <p>2 see Group 4, that's the additional?</p> <p>3 A. That's the additional 73 we</p> <p>4 discussed previously.</p> <p>5 Q. Did you participate in that review,</p> <p>6 the personal review at the museum?</p> <p>7 A. Yes.</p> <p>8 Q. You found some of those 73?</p> <p>9 A. Together with Joe-Hynn Yang, yes.</p> <p>10 Q. Was there anybody else with you?</p> <p>11 A. Just Joe and me.</p> <p>12 Q. When you were there, I think you</p> <p>13 might have testified about this before, you</p> <p>14 didn't talk to anybody at the museum to say hey,</p> <p>15 what about these?</p> <p>16 A. No.</p> <p>17 Q. Had you ever visited the museum</p> <p>18 before then?</p> <p>19 A. No, I never had.</p> <p>20 Q. Did anyone at the DIA escort you on</p> <p>21 the visit?</p> <p>22 A. No.</p> <p>23 Q. Was it done during public opening</p> <p>24 hours?</p> <p>25 A. Yes.</p>

44 (Pages 173 to 176)

1 Michael Plummer
 2 Q. Did you ever ask anybody why these
 3 73 works were not included in the original list
 4 that you got?
 5 A. No.
 6 Q. Did you ask your counsel to ask?
 7 A. No. To address that I would say
 8 that we assumed, or concluded, or felt that it
 9 was probably because of the randomness of the
 10 numbers in some of their insurance lists that
 11 these may have been similarly disregarded.
 12 Q. Did you ask anyone if you could
 13 visit the museum's collection of stored art?
 14 A. No, we did not.
 15 Q. You didn't document or appraise any
 16 of the stored art?
 17 A. We did not.
 18 Q. You mentioned the supplement.
 19 Hadn't you supplemented your report yet?
 20 A. I did not.
 21 Q. Do you plan to?
 22 A. With that list, yes.
 23 Q. In any other way?
 24 A. At the moment I don't have plans
 25 to, but that could change.

1 Michael Plummer
 2 Q. What would make that change?
 3 A. I haven't heard the deposition from
 4 Mr. Wiener, certain things could arise with that
 5 that would cause me to change.
 6 Q. Have you reviewed Mr. Wiener's
 7 report?
 8 A. I have.
 9 Q. Does anything in his report lead
 10 you to want to change your analysis or
 11 supplement it in any way?
 12 A. He does not make me want to change
 13 my analysis, no.
 14 Q. What about supplementing it?
 15 A. I'm not sure. I take issue with
 16 various things in his report and his
 17 methodology.
 18 Q. We may get to that. Group 5 on
 19 page 19. "Balance of the collection. The
 20 balance of the DIA's collection was evaluated by
 21 sector using the sample valuation data of the
 22 COD works appraised by Christie's with a low
 23 value of at or below \$750,000, and applying an
 24 average price, sector by sector, based on that
 25 data." Do you see that?

1 Michael Plummer
 2 A. Yes.
 3 Q. So you didn't evaluate each of the
 4 remaining items of the museum, correct?
 5 A. Correct.
 6 Q. When you say you applied an average
 7 price, I just want to understand and I want the
 8 Court to understand what you did, correct me if
 9 I'm wrong.
 10 So, for example, I'm just using a
 11 hypothetical, assuming there was a value that
 12 Christie's gave for the Old Masters of, just
 13 using round numbers, 100 million, and that was
 14 for so many pieces of art, you would find the
 15 average value of those so many pieces of art,
 16 correct?
 17 A. Yes.
 18 Q. And that's the average value you
 19 would use on all the other pieces of art that
 20 you didn't evaluate that were in that sector,
 21 correct?
 22 A. Correct.
 23 Q. I use the word extrapolate. You
 24 extrapolated that out to the rest of the sector,
 25 correct?

1 Michael Plummer
 2 A. We applied those values to the rest
 3 of the sector.
 4 Q. Let's go back to page 17. We
 5 discussed earlier that there are different
 6 methods of appraisal; for example, fair market
 7 value, auction estimate, correct?
 8 A. Correct.
 9 Q. What method of appraisal did
 10 Artvest utilize in analyzing Groups 1 and 2,
 11 which are the works that Christie's previously
 12 valued?
 13 A. We did not appraise these, I
 14 thought we had established that. We had -- we
 15 reviewed their appraisal and concluded that
 16 their numbers were good.
 17 Q. So, as you know, Christie's
 18 conducted a fair market value appraisal,
 19 correct?
 20 A. Yes.
 21 Q. In your words, what is a fair
 22 market value appraisal?
 23 A. A fair market appraisal is an
 24 appraisal arrived at where a ready, willing and
 25 able seller reaches a price with a ready,

<p style="text-align: right;">Page 181</p> <p>1 Michael Plummer</p> <p>2 willing and able buyer where there is no duress</p> <p>3 or urgency to sell.</p> <p>4 Q. Are there particular projects in</p> <p>5 which a fair market appraisal is best to use?</p> <p>6 For example, this project that you're involved</p> <p>7 in, is that the best method to use to appraise</p> <p>8 this type of art?</p> <p>9 A. It is our opinion that a fair</p> <p>10 market value, whether it's an appraisal or a</p> <p>11 valuation, is the right approach for this</p> <p>12 project, yes.</p> <p>13 Q. Why is that?</p> <p>14 A. Because you're determining --</p> <p>15 you're trying to establish a value of the</p> <p>16 collection to the City of Detroit in the</p> <p>17 evaluation of this Court case, and to do that</p> <p>18 one were to start with the fair market value of</p> <p>19 the collection.</p> <p>20 Q. You are aware that Christie's</p> <p>21 relied on the market data method in arriving at</p> <p>22 its fair market valuation, correct?</p> <p>23 A. Correct.</p> <p>24 Q. What is the market data method?</p> <p>25 A. It's looking at comparable prices,</p>	<p style="text-align: right;">Page 183</p> <p>1 Michael Plummer</p> <p>2 A. Correct.</p> <p>3 Q. Why did you choose that form of</p> <p>4 valuation, a fair market value?</p> <p>5 A. Because we thought it was the most</p> <p>6 appropriate for the circumstance.</p> <p>7 Q. Did you consider using an auction</p> <p>8 appraisal value?</p> <p>9 A. No, because auction values are</p> <p>10 designed to entice bidders to bid on something,</p> <p>11 as I like to say, the low estimate appeals to</p> <p>12 the greed of the buyer and the high estimate</p> <p>13 appeals to the greed of the seller. It's a</p> <p>14 psychological estimate track that's not relevant</p> <p>15 to this situation.</p> <p>16 Q. Very interesting, another added bit</p> <p>17 of information. So, for example, if I were</p> <p>18 trying to put on an auction I would want</p> <p>19 estimates to make people think boy, I'm going to</p> <p>20 get a good value for that?</p> <p>21 A. Um-hum.</p> <p>22 Q. So there would be lower estimates?</p> <p>23 A. Um-hum.</p> <p>24 Q. I got it. I'm not that</p> <p>25 knowledgeable about this, but did you consider</p>
<p style="text-align: right;">Page 182</p> <p>1 Michael Plummer</p> <p>2 which is the same methodology we did.</p> <p>3 Q. Anything else?</p> <p>4 A. That's pretty much essentially it.</p> <p>5 Q. Is that a standard methodology</p> <p>6 that's used in coming up with a fair market</p> <p>7 value?</p> <p>8 A. That's pretty standard, yes.</p> <p>9 Q. Moving on to Groups 3 and 4 on page</p> <p>10 18?</p> <p>11 A. Sir, can I have a quick bathroom</p> <p>12 break?</p> <p>13 Q. Absolutely.</p> <p>14 THE VIDEOGRAPHER: The time is</p> <p>15 2:16 p.m., and we're going off the record.</p> <p>16 (Short break taken)</p> <p>17 THE VIDEOGRAPHER: The time is 2:27</p> <p>18 p.m., and we are back on the record.</p> <p>19 BY MR. SOTO:</p> <p>20 Q. We're going to try to go through</p> <p>21 some of the stuff that will be different and</p> <p>22 hopefully won't be repetitive.</p> <p>23 Your prior testimony was that, in</p> <p>24 fact, the evaluation done by Artvest was to come</p> <p>25 up with a fair market value, correct?</p>	<p style="text-align: right;">Page 184</p> <p>1 Michael Plummer</p> <p>2 applying the market cash value appraisal method?</p> <p>3 A. It did not seem appropriate either.</p> <p>4 Q. What is the market cash value</p> <p>5 appraisal?</p> <p>6 A. It's deducting the seller's</p> <p>7 commission and any other fees that would be</p> <p>8 related to selling the art. It's often used for</p> <p>9 art loans and other things where you want to see</p> <p>10 what your net cash is going to be for selling</p> <p>11 something.</p> <p>12 Q. When would the market cash value</p> <p>13 appraisal be used?</p> <p>14 A. You would use it for an art loan,</p> <p>15 would be one example.</p> <p>16 Q. Because you would want to know</p> <p>17 after netting it out this is what you have as</p> <p>18 collateral?</p> <p>19 A. Yeah, but it's interestingly, as a</p> <p>20 matter of common practice, the low estimate for</p> <p>21 the auction house would work as well. That's</p> <p>22 often used by lenders rather than net cash</p> <p>23 value.</p> <p>24 Q. So now what's the difference then</p> <p>25 between the market cash value and the fair</p>

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<p style="text-align: right;">Page 185</p> <p>1 Michael Plummer</p> <p>2 market value?</p> <p>3 A. The fair market value is higher, it</p> <p>4 includes the buyer's premium as well.</p> <p>5 Q. The fair market value?</p> <p>6 A. Yeah. The net cash market value is</p> <p>7 not only missing the seller's commission, but</p> <p>8 it's also missing the buyer's premium.</p> <p>9 Q. So it cuts out commissions and it</p> <p>10 leaves what you're going to net out?</p> <p>11 A. Exactly.</p> <p>12 Q. We've mentioned a number of types</p> <p>13 of appraisals. Are there any other types of</p> <p>14 appraisals that you are aware of that we haven't</p> <p>15 spoken of yet?</p> <p>16 We've talked about insurance</p> <p>17 appraisals, we've talked about auction</p> <p>18 estimates, we've talked about market cash values</p> <p>19 and we've talked about fair market values; is</p> <p>20 there anything else?</p> <p>21 A. There's a replacement value.</p> <p>22 Q. Would that be different than the</p> <p>23 insurance value?</p> <p>24 A. It can be, but it's often used</p> <p>25 interchangeably, but a replacement value is a</p>	<p style="text-align: right;">Page 187</p> <p>1 Michael Plummer</p> <p>2 and appraisals, we talked about the market data</p> <p>3 method of leading to an appraisal?</p> <p>4 A. Right.</p> <p>5 Q. Are there any other methods that</p> <p>6 you're aware of, other than generally getting</p> <p>7 market data that you described earlier?</p> <p>8 A. Well, I think that, you know,</p> <p>9 market data can also mean data that's not</p> <p>10 publicly available. It can also be particularly</p> <p>11 when you're dealing with primary market property</p> <p>12 that you might need to call around to the</p> <p>13 galleries that handle the artists because</p> <p>14 they're not yet traded at auction or that the</p> <p>15 highest prices are traded at auction.</p> <p>16 Q. Looking at page 18 again of your</p> <p>17 report, paragraph B. It says:</p> <p>18 "Artvest conducted the initial</p> <p>19 pricing research and created a source database</p> <p>20 of comparables and other records, then shared</p> <p>21 that with the consulting specialists who then</p> <p>22 did supplemental price searches and other</p> <p>23 research."</p> <p>24 A. Um-hum.</p> <p>25 Q. You've described earlier that you</p>
<p style="text-align: right;">Page 186</p> <p>1 Michael Plummer</p> <p>2 higher value, some people use it as -- some use</p> <p>3 it as a retail value. It presumes that there is</p> <p>4 a time requirement involved in replacing</p> <p>5 something so that a buyer would pay a premium to</p> <p>6 replace it.</p> <p>7 Q. So it gives, generally speaking, a</p> <p>8 higher value?</p> <p>9 A. Correct.</p> <p>10 Q. Are you familiar with the Uniform</p> <p>11 Standards of Professional Appraisal Practice?</p> <p>12 A. I am.</p> <p>13 Q. What are they?</p> <p>14 A. Generally referred to as USPAP,</p> <p>15 they're guidelines for conducting appraisals.</p> <p>16 Q. Did you review the USPAP at any</p> <p>17 time while preparing the DIA evaluation that you</p> <p>18 rely on in your expert report?</p> <p>19 A. I reviewed it and my appraisers are</p> <p>20 USPAP-compliant appraisers, but as it's not --</p> <p>21 USPAP is not required by law or any regulatory</p> <p>22 body and is often not used by many appraisers, I</p> <p>23 didn't think it was critical to this appraisal,</p> <p>24 or this evaluation I should say.</p> <p>25 Q. Separate and apart from valuations</p>	<p style="text-align: right;">Page 188</p> <p>1 Michael Plummer</p> <p>2 used market data comparables and some additional</p> <p>3 private information in coming up with what</p> <p>4 Artvest called its source database, correct?</p> <p>5 A. Um-hum.</p> <p>6 Q. Do you know --</p> <p>7 A. Well that's not how I mean source</p> <p>8 database. No. Okay. You're correct, you're</p> <p>9 correct. Let's go back.</p> <p>10 Q. In what you're calling the source</p> <p>11 database of comparables and other records, I</p> <p>12 believe you testified earlier that included</p> <p>13 market data that was available publicly about</p> <p>14 the art?</p> <p>15 A. Right.</p> <p>16 Q. Comparables that you were aware of</p> <p>17 both publicly, and some private comparables that</p> <p>18 you were knowledgeable of?</p> <p>19 A. Right, right.</p> <p>20 Q. You mentioned some other indices</p> <p>21 and other data that you received on this art.</p> <p>22 That was the database that you prepared at</p> <p>23 Artvest?</p> <p>24 A. Yeah, right.</p> <p>25 Q. You shared that with your</p>

47 (Pages 185 to 188)

1 Michael Plummer
 2 consultant specialist, correct?
 3 A. Correct.
 4 Q. But then you go on to say who then
 5 supplemented price searches and other research.
 6 Do you know what they did to supplement that
 7 database?
 8 A. Yeah, they then did their own
 9 searches on Artvest, on Asguard, on Sotheby's
 10 and on Christie's websites in addition to what
 11 we gave them, they sort of did their own
 12 double-check.
 13 Q. Do you know if they came up with
 14 additional information?
 15 A. They did, yes.
 16 Q. Did you include that additional
 17 information in the information that you produced
 18 as supporting?
 19 A. Those comparables are in the work
 20 file that I have available to share, that
 21 electronic document that I referred to earlier.
 22 Q. That you are going to send us
 23 later?
 24 A. Yes.
 25 Q. Okay. You mentioned on page 20 --

1 Michael Plummer
 2 am I accurate in my assessment that not every
 3 piece of work at the DIA had a comparable?
 4 A. Yes.
 5 Q. There are some that did not?
 6 A. Correct.
 7 Q. How did you value those?
 8 A. You would look at things that sold
 9 in related categories.
 10 Q. You refer to them as once in a
 11 lifetime pieces of art?
 12 A. Yeah.
 13 Q. How many works are sort of once in
 14 a lifetime?
 15 A. In the DIA collection?
 16 Q. Yeah.
 17 A. I don't know that it's fair to put
 18 a number off the top of my head on there. Is it
 19 eight, is it ten, is it five, I don't know.
 20 Q. Do you recall how many had no
 21 comparables?
 22 A. I don't remember how many had none,
 23 but the non-comparables isn't just to once in a
 24 lifetime pieces, they're also smaller, less
 25 expensive works that might not have comparables.

1 Michael Plummer
 2 Q. So for those where you didn't have
 3 a comparable you tried to look at to create a
 4 comparable of some form?
 5 A. Yes, the closest in another sector.
 6 Q. In connection with your evaluation,
 7 is there a specific time period for which a
 8 comparable is relevant?
 9 A. That's an interesting question.
 10 The problem with the art market is that
 11 sometimes you have to go back many years, even a
 12 decade or so to find a comparable. So when you
 13 do that then you have to make an adjustment that
 14 you think is suitable for the difference in
 15 time, and the difference in the market then to
 16 the difference in the market now.
 17 In some instances actually the
 18 price could have gone down because the market
 19 might have been hotter for certain things a
 20 decade or two ago.
 21 Q. Let's turn to page 19. In Group 5
 22 you state that the balance of the DIA's art
 23 collection was evaluated by sector using the
 24 sample valuation data of the City of Detroit
 25 works appraised by Christie's with the low value

1 Michael Plummer
 2 of at or below 750, and applying an average
 3 price sector by sector based on the data,
 4 correct?
 5 A. Um-hum.
 6 Q. So here again, just so it's clear
 7 to the Court, for this lower value, if there was
 8 ten pieces this lower value from the Christie's
 9 collection that were in the Old Masters, you
 10 took the average of those ten and that's the
 11 average you applied for the remainder of that
 12 sector, correct?
 13 A. Correct.
 14 Q. Is your entire analysis of the
 15 Group 5 works contained here in this table 2?
 16 A. What do you mean my entire, do you
 17 mean the results of the analysis?
 18 Q. Yes?
 19 A. Yes.
 20 Q. Again, the sectors that you
 21 testified about earlier, those are all the
 22 sectors that you have identified, correct?
 23 When you say you did it sector by
 24 sector you identified the Old Masters, the
 25 Impressionist, Modernists, the Post War?

1 Michael Plummer

2 A. There are other sectors. There was
3 the prints and drawings, decorative arts,
4 silver, arms and armor. The fact that there
5 were so many sectors gave us the feeling that it
6 was an appropriate approach to this correction.

7 Q. Where can we find the most complete
8 list of the sectors that you divided them into?

9 A. This is the listing of the sectors.

10 Q. So indeed the separations in
11 Exhibit G are the sectors?

12 A. Correct, correct. I think there
13 are maybe eight, nine, ten, something like that.
14 Just to clarify, the DIA and Christie's
15 differentiate in how they classify things in
16 terms of sector.

17 It's really a commercial
18 distinction versus a curatorial distinction, and
19 where we needed to we made the juxtaposition
20 from one to the other so that they matched up.

21 Q. Did you record the average prices
22 in each sector somewhere?

23 A. Yes.

24 Q. In the report?

25 A. In this report, no. It was part of

1 Michael Plummer

2 the calculation.

3 Q. I'm trying to figure out how I'm
4 going to find the average prices in each sector.
5 Will it be in that thing you send me
6 electronically?

7 A. I could put it in that thing that I
8 send you electronically.

9 Q. That would be helpful in trying to
10 figure out what averages you used in making your
11 calculation.

12 A. Sure.

13 Q. Thank you. Stepping back in a
14 hypothetical situation. Aside from evaluating
15 each of the 62,000 pieces and coming up with a
16 number or applying the method that you did
17 apply, because I've heard about those two, you
18 testified about what you applied and obviously
19 the other one will take quite a while.

20 Is there any other way that you can
21 think of doing this kind of a valuation of this
22 large a collection?

23 A. Yes, there was a methodology that
24 we examined and we rejected within about an
25 hour, which was using the average prices of

1 Michael Plummer

2 sales results of Sotheby's and Christie's. We
3 had accumulated that data and we used it for
4 calculation of BIs.

5 Then we discarded using it for the
6 DIA collection because we felt there was no way
7 to make a logical connection between sales of
8 Sotheby's and Christie's and average prices, and
9 then using -- and the DIA's average price;
10 whereas we felt that using a sample of DIA's own
11 data would be relevant.

12 So I was surprised to see that
13 Wiener used the average prices from the
14 Sotheby's and Christie's data that we had
15 collected to use his valuation on the
16 collection.

17 Q. So that's one of the things that
18 you disagree with what Mr. Wiener did, correct?

19 A. Correct.

20 Q. You mentioned that there were
21 others, what are they?

22 A. I don't have his report in front of
23 me. There are some ways in which he matched up
24 some different methodologies to come to a total
25 number that concerned me, and various other

1 Michael Plummer

2 things that I would have to have his report in
3 front of me and my notes to go into.

4 Q. You state that to the extent this
5 methodology has a bias, this is again back on
6 your page 19, it is likely to overstate the
7 value of the DIA collection?

8 A. Correct.

9 Q. How?

10 A. Because when we did the average
11 value by sector we got some large average values
12 in different sectors like African and others,
13 and drawings; then we just used an average value
14 based on a total average of the Christie's data.
15 We actually did an alternate cut and it dropped
16 it down from valuing that part of the collection
17 from 600 million to 1 something billion,
18 1.2 billion, to about I think it's 130 million
19 to 300 million or something hike that.

20 So we felt going into it that it
21 was a bias, and also because we considered the
22 DIA property to have been purchased
23 strategically and that it was property bought by
24 the City of Detroit for the museum to raise the
25 profile of the museum.

<p style="text-align: right;">Page 197</p> <p>1 Michael Plummer</p> <p>2 So it was more likely to be a</p> <p>3 higher concentration of quality property, a</p> <p>4 balance of property that was given to the</p> <p>5 museum, which would include dregs along with</p> <p>6 high quality of stuff, which often comes in</p> <p>7 collections that are donated.</p> <p>8 Q. On page 19 you also state that for</p> <p>9 property value "below 5,000 I attributed an</p> <p>10 effective value of zero"?</p> <p>11 A. Yes.</p> <p>12 Q. Why?</p> <p>13 A. Because we felt that the cost of</p> <p>14 handling that, and unlike the other property</p> <p>15 where no commission would have been charged, we</p> <p>16 felt that there would have been a commission</p> <p>17 charged for the handling of that property</p> <p>18 because it has a high nuisance value, and</p> <p>19 Sotheby's and Christie's try not to sell or</p> <p>20 value a property in that price range.</p> <p>21 In fact, Sotheby's just went into a</p> <p>22 new venture with eBay to try and find a way to</p> <p>23 solve that problem. So we felt that the cost of</p> <p>24 handling it would net out to zero for the value</p> <p>25 of it.</p>	<p style="text-align: right;">Page 199</p> <p>1 Michael Plummer</p> <p>2 directors are important. They spend a lot of</p> <p>3 money making donations to museums and</p> <p>4 cultivating those relationships.</p> <p>5 If they were to sell this art they</p> <p>6 would destroy their relationship with the museum</p> <p>7 community in America and that is a high price to</p> <p>8 pay, and it would do serious damage to their</p> <p>9 brand. I think that the fallout that Christie's</p> <p>10 received after just doing the appraisal was</p> <p>11 indicative of how much more magnified it would</p> <p>12 be if they were to actually handle the sale of</p> <p>13 the DIA property.</p> <p>14 Q. Did you speak with anyone at</p> <p>15 Sotheby's about this to determine whether they</p> <p>16 would --</p> <p>17 A. Hum, I did not --</p> <p>18 Q. That they would not touch it with a</p> <p>19 10-foot barge pole. Was it a 10-foot barge</p> <p>20 pole? I just want to be sure.</p> <p>21 A. A 10-foot barge pole. I avoided</p> <p>22 speaking to people at the auction houses about</p> <p>23 this project that I'm working on. I did hear</p> <p>24 someone senior at one of the auction houses say</p> <p>25 such a thing. I am very aware of Sotheby's</p>
<p style="text-align: right;">Page 198</p> <p>1 Michael Plummer</p> <p>2 Q. If you know, if someone were to</p> <p>3 approach Sotheby's or Christie's, given your</p> <p>4 experience with both enterprises, with a project</p> <p>5 like the monetization of the art collection at</p> <p>6 the DIA, well, let's ask that later. Let me ask</p> <p>7 the first question. Strike that.</p> <p>8 If someone were to approach</p> <p>9 Sotheby's or Christie's, both enterprises that</p> <p>10 you're familiar with, with a project to sell the</p> <p>11 collection at the DIA, would that be the kind of</p> <p>12 project that would be a pretty exciting project</p> <p>13 to both entities, a very valuable collection,</p> <p>14 well thought of?</p> <p>15 A. It's a valuable collection, it's</p> <p>16 well thought of. My business opinion after</p> <p>17 being in this industry for 35 years and worked</p> <p>18 at both houses, is that I don't think either</p> <p>19 house would touch it with a 10-foot barge pole</p> <p>20 because they -- both houses, just to explain,</p> <p>21 have museum departments that cultivate</p> <p>22 relationships with the museums.</p> <p>23 Museum sales are important to their</p> <p>24 business, curator's opinions are important to</p> <p>25 their business, relationship with the museum</p>	<p style="text-align: right;">Page 200</p> <p>1 Michael Plummer</p> <p>2 long-standing commitment to the City of Detroit,</p> <p>3 it used to be headquartered in Detroit.</p> <p>4 Its largest shareholder for many</p> <p>5 years was a donor to the museum and ran a</p> <p>6 building fund. He still has a close</p> <p>7 relationship to the senior management of</p> <p>8 Sotheby's. He has a wing named after him in the</p> <p>9 DIA. I find it hard to imagine, knowing what I</p> <p>10 know of the management of Sotheby's, that they</p> <p>11 would do it.</p> <p>12 Q. So it's your view that if someone</p> <p>13 were to agree to handle the sale of a collection</p> <p>14 like that, that they would exclude from that the</p> <p>15 works of art that are below 5,000 for which you</p> <p>16 attribute an effective value of zero?</p> <p>17 A. I'm sorry, I'm not following the</p> <p>18 collection.</p> <p>19 Q. What I'm trying to figure out is</p> <p>20 you say they may be worth 5,000 or less, you</p> <p>21 attributed zero, and when you testified about it</p> <p>22 you said it's because it costs a lot of money to</p> <p>23 handle that art and get it ready.</p> <p>24 But in the context of an</p> <p>25 overarching sale of an entire collection like</p>

50 (Pages 197 to 200)

<p style="text-align: right;">Page 201</p> <p>1 Michael Plummer</p> <p>2 the City's collection at the DIA, would that</p> <p>3 still be true, would they still be of no value</p> <p>4 in your mind?</p> <p>5 A. Yes, I think it's going to be a</p> <p>6 difficult property to get rid of because it's</p> <p>7 thousands upon thousands upon thousands of items</p> <p>8 which would require years to be sold.</p> <p>9 Q. How many works of art fall in this</p> <p>10 category at the DIA, this below 5,000?</p> <p>11 A. I don't remember.</p> <p>12 Q. Do you have anything you can refer</p> <p>13 to in your report that would refresh your</p> <p>14 recollection?</p> <p>15 A. I don't have numbers, but I have</p> <p>16 that 45.98 percent were between 1,000 and 5,000</p> <p>17 in value.</p> <p>18 Q. 45.89 percent of the overall DIA</p> <p>19 collection?</p> <p>20 A. Right.</p> <p>21 Q. Did you review the publicly</p> <p>22 available information for sales at Sotheby's and</p> <p>23 Christie's to determine how many sales they've</p> <p>24 had in the last year or so, two years or so of</p> <p>25 art that's valued below \$5,000?</p>	<p style="text-align: right;">Page 203</p> <p>1 Michael Plummer</p> <p>2 they were of insignificant value?</p> <p>3 A. We had the data and we did look at</p> <p>4 it, yes.</p> <p>5 Q. And you agreed with their</p> <p>6 assessment?</p> <p>7 A. Yes.</p> <p>8 Q. Turning to Table 2. The figures on</p> <p>9 this table include Christie's valuations and</p> <p>10 Artvest's additional valuations, correct?</p> <p>11 A. Yes, correct.</p> <p>12 Q. And you come to the conclusion that</p> <p>13 the entire museum should have appraised or</p> <p>14 evaluated the collection at between 2.7 billion</p> <p>15 and \$4.6 billion, correct?</p> <p>16 A. Correct.</p> <p>17 Q. In coming to this conclusion you</p> <p>18 didn't inspect or value any of the remaining</p> <p>19 57,181 works of art, did you?</p> <p>20 A. We did not. We valued them by</p> <p>21 virtue of the calculation we made, but we did</p> <p>22 not inspect them.</p> <p>23 Q. On page 20 you exclude some works</p> <p>24 thought to be by?</p> <p>25 A. Modigliani.</p>
<p style="text-align: right;">Page 202</p> <p>1 Michael Plummer</p> <p>2 A. I did not, but I have been</p> <p>3 involved -- I have not.</p> <p>4 Q. Moving on to Table 1 on page 18.</p> <p>5 The figures in this table come from Christie's</p> <p>6 evaluation, correct?</p> <p>7 A. Yes.</p> <p>8 Q. Are you aware that Christie's did</p> <p>9 not actually appraise all 2,760 pieces?</p> <p>10 A. Yes, I am aware of that.</p> <p>11 Q. They didn't appraise 1,038 items,</p> <p>12 correct?</p> <p>13 A. I believe that's -- well, what they</p> <p>14 did was they decided that they were not of</p> <p>15 sufficient value to appraise.</p> <p>16 Q. So they didn't appraise them,</p> <p>17 correct?</p> <p>18 A. They did not appraise them, but</p> <p>19 they did essentially assign them a value of</p> <p>20 zero.</p> <p>21 Q. In your table you attribute no</p> <p>22 value to them at all, correct?</p> <p>23 A. Correct.</p> <p>24 Q. Did you review any of those 1038</p> <p>25 items to see if you agreed with Christie's that</p>	<p style="text-align: right;">Page 204</p> <p>1 Michael Plummer</p> <p>2 Q. The G is silent?</p> <p>3 A. Yes.</p> <p>4 MR. SOTO: Every day I work as a</p> <p>5 lawyer I learn something I didn't know the day</p> <p>6 before.</p> <p>7 Q. Modigliani?</p> <p>8 A. Modigliani.</p> <p>9 Q. Why are you insinuating that the</p> <p>10 works of art at the museum are not authentic?</p> <p>11 A. Because they are not in the Ceroni</p> <p>12 catalogue resume, and there is a lot of</p> <p>13 controversy in that market right now, and there</p> <p>14 is a number of fakes around, and there is</p> <p>15 alternate catalog resume out there that has</p> <p>16 fakes in it.</p> <p>17 So it's a hot controversial topic</p> <p>18 and Christie's should stop selling works that</p> <p>19 are not in Ceroni, and Sotheby's is reluctant to</p> <p>20 do so as well. So the common practice is to</p> <p>21 give it a value of zero or a minimal value;</p> <p>22 certainly not to value it as a real Modigliani.</p> <p>23 Q. How many works of art does a museum</p> <p>24 have that are Modiglianis?</p> <p>25 A. I don't remember the total amount.</p>

51 (Pages 201 to 204)

<p style="text-align: right;">Page 205</p> <p>1 Michael Plummer</p> <p>2 I think that Christie's did value one and I</p> <p>3 believe there were two which we had took issue</p> <p>4 with, if I remember correctly.</p> <p>5 Q. So they did one?</p> <p>6 A. And we had two.</p> <p>7 Q. You took issue with them both?</p> <p>8 A. I believe so, but I can't remember</p> <p>9 for certain.</p> <p>10 Q. Do you know if the museum insured</p> <p>11 those pieces?</p> <p>12 A. I don't remember.</p> <p>13 Q. Do you know if there was an</p> <p>14 insurance value for any of those pieces?</p> <p>15 A. I don't remember.</p> <p>16 Q. You also excluded the Diego Rivera?</p> <p>17 A. Yes.</p> <p>18 Q. Why was that?</p> <p>19 A. It is -- according to the standards</p> <p>20 of the Appraisers Association of America, and</p> <p>21 Liz von Habsburg agreed with this analysis as</p> <p>22 well, so it's two of us who came to the same</p> <p>23 conclusion that if an important -- if a mural is</p> <p>24 a part of a building and it would damage it to</p> <p>25 remove it, it should be valued as part of the</p>	<p style="text-align: right;">Page 207</p> <p>1 Michael Plummer</p> <p>2 Q. Did they have to remove the works</p> <p>3 from Ansel Ford's site to the DIA?</p> <p>4 A. No, I was not aware of that.</p> <p>5 Q. So they were painted at the DIA?</p> <p>6 A. They were painted at the DIA.</p> <p>7 Q. That's what I'm trying to ask. Is</p> <p>8 it possible, do you know of murals of this type</p> <p>9 that have been moved?</p> <p>10 A. There have been some smaller murals</p> <p>11 moved from churches and things.</p> <p>12 Q. Did you consider the possibility of</p> <p>13 doing that when you valued the Diego Rivera?</p> <p>14 A. As I said, we did consider it, and</p> <p>15 we talked to a Diego Rivera expert as well.</p> <p>16 It's as I said for the reasons I mentioned,</p> <p>17 breaking them up and giving that kind of risk.</p> <p>18 Q. Looking at what has been called the</p> <p>19 market issues affecting sales, we're going to go</p> <p>20 to page 24. Your report attempts to address</p> <p>21 some market issues that may affect the value of</p> <p>22 the collection, correct?</p> <p>23 A. Um-hum.</p> <p>24 Q. On page 24.</p> <p>25 MR. O'REILLY: Just verbal answers.</p>
<p style="text-align: right;">Page 206</p> <p>1 Michael Plummer</p> <p>2 real estate of the building and not separately</p> <p>3 as a work of art, because it really is not</p> <p>4 removable.</p> <p>5 This is really particularly true of</p> <p>6 the Diego Rivera murals because they are so</p> <p>7 large that they would have to be sliced up in</p> <p>8 the middle of the imagery in order to move them,</p> <p>9 and that would cause one set of damage, plus the</p> <p>10 active removal would cause another set of damage</p> <p>11 so then they would require heavy restoration.</p> <p>12 The damage would be an injury to the work and it</p> <p>13 would -- it just -- it can't be valued as a</p> <p>14 salable work of art.</p> <p>15 Q. Do you know how the DIA initially</p> <p>16 acquired this work of art?</p> <p>17 A. It's my understanding that they</p> <p>18 were a gift from Ansel Ford, if Ansel is</p> <p>19 correct, and that they were painted by Diego</p> <p>20 while he camped out there for a period of time</p> <p>21 to complete them, and that actually just after</p> <p>22 completing those he rushed up to New York to</p> <p>23 paint the ones at Rockefeller Center that were</p> <p>24 then subsequently painted over by Nelson</p> <p>25 Rockefeller. This is a masterpiece.</p>	<p style="text-align: right;">Page 208</p> <p>1 Michael Plummer</p> <p>2 Q. Whenever anybody wants to take</p> <p>3 another break some time in the middle of the</p> <p>4 afternoon to get some coffee or something,</p> <p>5 whatever you want.</p> <p>6 A. Okay. Thank you.</p> <p>7 Q. Paragraph 37 on page 24 says, "A</p> <p>8 significant segment of DIA's collection is in</p> <p>9 areas that have fallen out of favor with</p> <p>10 collectors." Correct?</p> <p>11 A. Correct.</p> <p>12 Q. The performing sectors that you</p> <p>13 identify that have fallen out of favor, and you</p> <p>14 mentioned some of them earlier, were American</p> <p>15 Art pre-1950, Old Masters and 19th Century</p> <p>16 European paintings?</p> <p>17 A. Um-hum.</p> <p>18 Q. And then also Impressionist and</p> <p>19 Modern Art, correct?</p> <p>20 A. Correct.</p> <p>21 Q. What is the basis for this opinion?</p> <p>22 How did you determine that these were</p> <p>23 underperforming sectors?</p> <p>24 A. Well, I think the index here from</p> <p>25 Mei-Moses points this out on page 24. I think</p>

52 (Pages 205 to 208)

1 Michael Plummer
2 that's a factual representation. I would say
3 also every day of my business both with Artvest
4 and also with Spring Masters, working with
5 dealers and collectors in these areas, and just
6 this past week I had the same conversation with
7 five different dealers in these areas that said
8 the same thing that I'm saying here.

9 So this is borne out in everything
10 I experience. So I would, you know, challenge
11 you to find a dealer out there who would
12 disagree with this, or an auction house expert.

13 Q. Did you do any research to
14 determine what was the basis of this chart 18
15 that you have here, the 2003 index?

16 A. I know how the Mei-Moses index is
17 completed. I've known Michael Moses for ten
18 years, I've been studying indexes in the art
19 industry. I actually helped construct one that
20 we used for a period of time several years ago.

21 I know he uses repeat sales index.
22 I know some people don't like that, I'm
23 perfectly fine with it because I think his
24 database is now complete enough to be
25 representative of the art market. Ten years ago

1 Michael Plummer

2 Q. That is because?

3 A. I thought this made the case in and
4 of itself. Mei-Moses, except for a few people,
5 he is well regarded.

6 Q. You're not concerned with the fact
7 that he uses repeat sales limits?

8 A. No --

9 Q. Excuse me, limits the database that
10 he's using?

11 A. No, because I tracked it over ten
12 years and compared it to other indices I'm
13 perfectly comfortable with this.

14 Q. The other indices that you referred
15 to earlier, are they consistent with this one in
16 the analysis of the value of these sectors?

17 A. Yes.

18 Q. Looking at your chart, it appears
19 as though all sectors declined in 2008, correct?

20 A. Yes, 2008 was a bleak time for
21 everybody.

22 Q. This was as you testified about
23 earlier, the financial crisis that you referred
24 to?

25 A. Yes.

1 Michael Plummer
2 I would have said not, but I think it is
3 absolutely fine now.

4 Q. Ten years ago the difference would
5 have been what?

6 A. Because he didn't have enough
7 samples in his database, but he's flushed it out
8 fully enough that when I compare it to other
9 indices it actually is comparable.

10 Q. When you say he uses repeat sales
11 what does that mean?

12 A. It means he gets -- he's gone back
13 to the 19th Century to get data from a property
14 that comes back up to auction and then he
15 measures the price of the same piece each time
16 it's auctioned and uses that as a data point.
17 The merits are that he's using a bucket of data
18 that is actually using identical pieces.

19 Q. Did you consider using any
20 additional indices to support your conclusion
21 here, besides the Chart 18, Mei-Moses?

22 A. I did, and I know they show very
23 similar thing. Art Market Research has the
24 similar results, but I did not feel it necessary
25 to apply it here.

1 Michael Plummer

2 Q. Isn't it also true that in a down
3 market that turnover falls because collectors
4 are less willing to sell at a depressed rate,
5 they would rather just hold on to it and sell
6 later?

7 A. Yes, we had commented on that.

8 Q. As the nation recovers would you
9 expect that the interest in those sectors would
10 also increase?

11 A. Not necessarily, for a couple of
12 reasons. One is that the art market is driven
13 by a global collector base, and if you're asking
14 about less recovers I don't think it's
15 necessarily a linear connection.

16 I also say perhaps more importantly
17 that the problem with these sectors is that
18 young collectors, new buyers are moving almost
19 exclusively into Post War, not into these other
20 sectors, so they're not getting the new blood
21 that they need.

22 Q. Looking at your chart, it appears
23 that the Impressionist and Modern Art sector is
24 on the rise again, correct?

25 A. From this Mei-Moses index?

<p style="text-align: right;">Page 213</p> <p>1 Michael Plummer</p> <p>2 Q. Yes.</p> <p>3 A. No. I wouldn't say that. I would</p> <p>4 say that the Modern sector is doing better than</p> <p>5 the Impressionist part of the sector, and</p> <p>6 benefits a little bit from spillover from the</p> <p>7 Post War and Contemporary since it's the sector</p> <p>8 just before that; but that sector is pretty</p> <p>9 flat.</p> <p>10 Q. So these green lines here?</p> <p>11 A. The green lines, you can see it</p> <p>12 came back in 2010, but it hasn't shown</p> <p>13 noticeable appreciation between 2011 and 2013.</p> <p>14 In fact, there have been some disappointing</p> <p>15 sales in that area which are mentioned in this</p> <p>16 document.</p> <p>17 Q. Are you familiar with Zhang Yi, an</p> <p>18 author of the TEFAF?</p> <p>19 A. TEFAF.</p> <p>20 Q. T-E-F-A-F, TEFAF Art Market Report?</p> <p>21 A. I am familiar that he's contributed</p> <p>22 to that report as a freelancer, but I actually</p> <p>23 have a very close relationship with the woman</p> <p>24 who actually writes the full report, Clare</p> <p>25 McAndrew, that's who I tend to correspond with</p>	<p style="text-align: right;">Page 215</p> <p>1 Michael Plummer</p> <p>2 find particularly disturbing to you?</p> <p>3 MR. O'REILLY: Objection to the</p> <p>4 form.</p> <p>5 A. I would say at the start that I</p> <p>6 have my own notes and thoughts on this that I</p> <p>7 can't summarize this fully in this exchange with</p> <p>8 you.</p> <p>9 Q. You don't have to summarize them</p> <p>10 fully, just things that are of major disturbance</p> <p>11 to you that you find that are particularly in</p> <p>12 error?</p> <p>13 A. I would say that the value of the</p> <p>14 collection is in error.</p> <p>15 Q. Why is that?</p> <p>16 A. Because I think that it's grossly</p> <p>17 overvalued.</p> <p>18 Q. Why?</p> <p>19 A. Because in his methodology, if you</p> <p>20 look at his methodology step-by-step chart,</p> <p>21 number 3, he's chosen 387 units, which we don't</p> <p>22 know why he's chosen those that he's put a value</p> <p>23 on, where he has put in a supplement based on</p> <p>24 his assumption that the DIA sale is going to be,</p> <p>25 as he puts it, a sale of the century.</p>
<p style="text-align: right;">Page 214</p> <p>1 Michael Plummer</p> <p>2 and communicate with.</p> <p>3 Q. Looking at your report, tab 4?</p> <p>4 A. Table 4 you mean?</p> <p>5 Q. Let me hand you as Exhibit 3.</p> <p>6 (Plummer Exhibit 3, Victor Wiener's</p> <p>7 Expert Report in this Chapter 9 proceeding,</p> <p>8 marked for identification.)</p> <p>9 BY MR. SOTO:</p> <p>10 Q. As Exhibit 3 let me hand you a copy</p> <p>11 of Victor Wiener's report. Exhibit 3 is marked</p> <p>12 here, it's Victor Wiener's Expert Report in this</p> <p>13 Chapter 9 proceeding.</p> <p>14 You testified earlier that you</p> <p>15 reviewed that, correct?</p> <p>16 A. Correct.</p> <p>17 Q. You mentioned that there were a</p> <p>18 number of things that you disagreed with,</p> <p>19 correct?</p> <p>20 A. Correct.</p> <p>21 Q. You've mentioned a few of them</p> <p>22 already, correct?</p> <p>23 A. Correct.</p> <p>24 Q. Take a few moments to take a look</p> <p>25 at it and see if there are any other areas you</p>	<p style="text-align: right;">Page 216</p> <p>1 Michael Plummer</p> <p>2 He has not revealed what that</p> <p>3 supplement is, but it appears to be a multiple</p> <p>4 of three or four or many times, and there</p> <p>5 doesn't seem to be a clearly understandable</p> <p>6 basis for that calculation.</p> <p>7 Then he uses Christie's and my</p> <p>8 appraisal values which he has criticized, but</p> <p>9 yet he uses them. I don't think he criticized</p> <p>10 Winston's, but he uses theirs as well. Then in</p> <p>11 step 3 he has used the DIA values, insurance</p> <p>12 values which we have already mentioned. We did</p> <p>13 an analysis of and found them to be irrelevant.</p> <p>14 Q. Are those the ones you described as</p> <p>15 whacky?</p> <p>16 A. Yes.</p> <p>17 Q. So you're assuming those are the</p> <p>18 insurance values?</p> <p>19 A. Yes. Most likely, to the extent if</p> <p>20 they are insurance values they would be</p> <p>21 replacement values which, as I said, would be</p> <p>22 the highest value. Victor did a net cash</p> <p>23 valuation for step 1. He used our numbers,</p> <p>24 Christie's, Artvest and Winston's which are fair</p> <p>25 market value.</p>

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<p style="text-align: right;">Page 217</p> <p>1 Michael Plummer</p> <p>2 He then used a replacement value</p> <p>3 methodology for step 3. Then he went back to</p> <p>4 what would be the equivalent of fair market</p> <p>5 value because he used Christie's and Sotheby's</p> <p>6 data.</p> <p>7 For step 4 he used my data to</p> <p>8 basically get an average value based on sales of</p> <p>9 Sotheby's and Christie's, which I told you we</p> <p>10 rejected that methodology as being unsound, as</p> <p>11 there not being any logical connection between</p> <p>12 the property sold at Sotheby's and Christie's</p> <p>13 from what's in the DIA. So he uses all of these</p> <p>14 different methodologies and all of these</p> <p>15 different values to arrive at 8 million 552.</p> <p>16 Q. Anything else that comes to mind as</p> <p>17 you look at it?</p> <p>18 A. Well, he makes claims about my</p> <p>19 process which he had no knowledge of, which are</p> <p>20 untrue. There are other things.</p> <p>21 Q. Let me walk you through some that</p> <p>22 you might have mentioned that I had while</p> <p>23 everyone was eating?</p> <p>24 A. Sure.</p> <p>25 Q. Turn to page 21 of the report. I'm</p>	<p style="text-align: right;">Page 219</p> <p>1 Michael Plummer</p> <p>2 marketing at Sotheby's. He mentions the</p> <p>3 celebratory effect of the Jackie O sale, as I</p> <p>4 mentioned earlier. I worked at Sotheby's on</p> <p>5 that sale so I have real world insight on that</p> <p>6 kind of thinking and marketing.</p> <p>7 To put on a show if you will, to</p> <p>8 put on a promotional effort that we did at</p> <p>9 Sotheby's for Jackie O, or that was even done</p> <p>10 for the Albright-Knox property, there has to be</p> <p>11 a positive feeling behind the celebrity or the</p> <p>12 institution.</p> <p>13 If there is taint you can't market</p> <p>14 it that way, you can't do a big celebratory</p> <p>15 sale, it works against you, it actually</p> <p>16 backfires. So you couldn't do a big, splashy,</p> <p>17 this is the DIA sale, that's not possible.</p> <p>18 In fact, what is comparable to the</p> <p>19 DIA sale is the Klimt paintings that were sold</p> <p>20 in 2006 at Christie's, where they were Nazi</p> <p>21 property that had been given to the Vienna</p> <p>22 Museum and then restituted. Those paintings did</p> <p>23 well, but they did well not because they were</p> <p>24 property from the museum. In fact, the museum</p> <p>25 provenance was hidden in the marketing. The</p>
<p style="text-align: right;">Page 218</p> <p>1 Michael Plummer</p> <p>2 pointing these out to you because you may have</p> <p>3 mentioned something about it and I would be</p> <p>4 interested on what your view is about this,</p> <p>5 correct?</p> <p>6 A. Yes.</p> <p>7 Q. On page 21, the paragraph under</p> <p>8 "Museum provenance" under "The Effects of</p> <p>9 Selling Museum and Celebrity Art":</p> <p>10 "It is apparent that works of fine</p> <p>11 and decorative art, and other collectibles from</p> <p>12 museums and other significant collections</p> <p>13 perform much better at auctions than similar</p> <p>14 objects lacking notable provenance."</p> <p>15 Do you agree with that?</p> <p>16 A. In many instances, but not all.</p> <p>17 Q. How about in the context of the</p> <p>18 collection at the DIA?</p> <p>19 A. I don't think it would apply to the</p> <p>20 collection of the DIA, and I have reasons for</p> <p>21 believing that.</p> <p>22 Q. And why is that?</p> <p>23 A. If the collection were sold it</p> <p>24 would have the taint that I described. If</p> <p>25 the -- now I'm wearing my hat as former head of</p>	<p style="text-align: right;">Page 220</p> <p>1 Michael Plummer</p> <p>2 story that was told was about their restitution</p> <p>3 to the owner.</p> <p>4 So yes, it's true in certain</p> <p>5 circumstances, museum provenance can be</p> <p>6 meaningful and important, but it has to be the</p> <p>7 right circumstance otherwise it can work against</p> <p>8 you.</p> <p>9 I take the case that I use in my</p> <p>10 paper about the Delaware Museum. They went out</p> <p>11 thinking they had \$30 million worth of art to</p> <p>12 sell, that has not gone well, they've been</p> <p>13 sanctioned. They are now expecting that art to</p> <p>14 bring in \$19 million worth and they've had to</p> <p>15 lower their expectations of what they will be</p> <p>16 able to pay down.</p> <p>17 MR. O'REILLY: Ed, I don't want to</p> <p>18 interrupt your flow, do you mind if I take a</p> <p>19 break?</p> <p>20 MR. SOTO: Sure.</p> <p>21 THE VIDEOGRAPHER: The time is</p> <p>22 3:16 p.m., we're going off the record.</p> <p>23 (Short break taken)</p> <p>24 THE VIDEOGRAPHER: This begins</p> <p>25 media unit number 4, the time is 3:27 p.m., and</p>

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<p style="text-align: right;">Page 221</p> <p>1 Michael Plummer</p> <p>2 we're back on the record.</p> <p>3 BY MR. SOTO:</p> <p>4 Q. Mr. Plummer, looking at the report</p> <p>5 before you, Exhibit 3, at page 44. Mr. Wiener</p> <p>6 is commenting on your report there?</p> <p>7 A. Okay.</p> <p>8 Q. The paragraph you see:</p> <p>9 "In brief, Dr. Barth opines that</p> <p>10 most, if not all, the discounts applied by the</p> <p>11 Artvest Report are unsustainable because of</p> <p>12 reliance upon unsupported data. The Barth</p> <p>13 Report goes through each discount the Artvest</p> <p>14 Report applies and shows that the data is either</p> <p>15 lacking or inconsistent with the conclusions</p> <p>16 reached. As such, the Barth report concludes</p> <p>17 that the Artvest Report is unreliable."</p> <p>18 Do you see that?</p> <p>19 A. I see that.</p> <p>20 Q. Did you have a chance to review the</p> <p>21 Barth report?</p> <p>22 A. I did.</p> <p>23 Q. What were your conclusions on that</p> <p>24 report?</p> <p>25 A. I felt it was -- I disagreed with</p>	<p style="text-align: right;">Page 223</p> <p>1 Michael Plummer</p> <p>2 Q. The first one is the first</p> <p>3 paragraph on the potential "See Artvest Report,</p> <p>4 39 to 40," do you see that? "The Artvest Report</p> <p>5 also dismisses all expressions of interest"?</p> <p>6 A. Yes.</p> <p>7 Q. What is your opinion on that</p> <p>8 conclusion?</p> <p>9 A. I reviewed the expressions of</p> <p>10 interest and I stand by what I say in my report.</p> <p>11 In fact, I'm not sure why they can disagree with</p> <p>12 what I've said because it's pretty</p> <p>13 straightforward.</p> <p>14 Q. The next paragraph talks about,</p> <p>15 well, let's see:</p> <p>16 While VWA did not have direct</p> <p>17 access to the three potential purchasers,</p> <p>18 according to Houlihan, Poly International</p> <p>19 Auction House, who expressed interest in</p> <p>20 purchasing all Chinese works for up to \$1</p> <p>21 billion, Yuan Capital, who also expressed</p> <p>22 interest in purchasing 116 pieces for \$895</p> <p>23 million to \$1.4 billion, and Catalyst</p> <p>24 Acquisitions/Bell Capital Partners, who</p> <p>25 expressed interest in purchasing the entire</p>
<p style="text-align: right;">Page 222</p> <p>1 Michael Plummer</p> <p>2 her conclusions. She -- her experience and</p> <p>3 education in the art world is a certificate at</p> <p>4 Sotheby's works of art program, which actually I</p> <p>5 used to oversee as part of my role at Sotheby's.</p> <p>6 I think that she's speaking from a</p> <p>7 place of not real art world experience and I am,</p> <p>8 and I think that actually the conclusions are</p> <p>9 supported, the data is supported, and I stand by</p> <p>10 it.</p> <p>11 Q. Anything more than that?</p> <p>12 A. I probably have more, but I would</p> <p>13 have to, you know, prepare for it.</p> <p>14 Q. In connection with the next</p> <p>15 paragraph that starts:</p> <p>16 "The Artvest Report also dismisses</p> <p>17 all expressions of interest by three potential</p> <p>18 purchasers," do you see that?</p> <p>19 A. Yes.</p> <p>20 Q. Did you read that purchase of it?</p> <p>21 A. Yes, I did.</p> <p>22 Q. Did you read the next paragraphs</p> <p>23 that address those potential purchases?</p> <p>24 A. Which paragraph are you referring</p> <p>25 to?</p>	<p style="text-align: right;">Page 224</p> <p>1 Michael Plummer</p> <p>2 collection for \$1.7 billion."</p> <p>3 Did you try to contact any of those</p> <p>4 individuals in connection with the preparation</p> <p>5 of your report?</p> <p>6 A. I did not. I am familiar with</p> <p>7 Poly. I expressed in my report that I was</p> <p>8 unfamiliar with the others. And, as I recall in</p> <p>9 my report, I believe that I was talking about</p> <p>10 whether or not the value of the collection would</p> <p>11 measure up to what these people were interested</p> <p>12 in buying, and as I read the documents</p> <p>13 subsequently of what they offered as their</p> <p>14 indications of interest, there is no binding</p> <p>15 commitment there, and all of them allow an out</p> <p>16 to provide a lower value offer if the collection</p> <p>17 is lower or the section of the collection is</p> <p>18 lower than what they're asking for. That's</p> <p>19 pretty much all I said, except for with regard</p> <p>20 to Ian Peck which is a different issue, and the</p> <p>21 loan.</p> <p>22 Q. I was about to go to Ian Peck, but</p> <p>23 before I do. Did you try to contact these</p> <p>24 individuals or any other potential monetization</p> <p>25 entities?</p>

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<p style="text-align: right;">Page 225</p> <p>1 Michael Plummer</p> <p>2 A. I did not.</p> <p>3 Q. You were not asked to either?</p> <p>4 A. I was not asked to.</p> <p>5 Q. Now you were going on to Ian Peck.</p> <p>6 What more did you have to say about his view?</p> <p>7 A. Well, it's interesting. He says</p> <p>8 that my expense calculations are inaccurate, yet</p> <p>9 they are what is in his offer, not only in the</p> <p>10 Houlihan Lokey document, but I read the details</p> <p>11 of his indication of interest that he submitted</p> <p>12 to Houlihan Lokey, and the numbers that I used</p> <p>13 are the numbers that he has in his offering</p> <p>14 documents.</p> <p>15 So I'm surprised -- I'm not</p> <p>16 surprised. I am perplexed that he would say</p> <p>17 that they are inaccurate, when actually the</p> <p>18 documentation submitted supports what I said.</p> <p>19 Q. Anything else?</p> <p>20 A. With regard to the report?</p> <p>21 Q. Yes.</p> <p>22 A. We could go through it page by</p> <p>23 page. I have numerous objections to it, but I'm</p> <p>24 not sure that's the best use of your time today.</p> <p>25 Q. We can certainly come back and do</p>	<p style="text-align: right;">Page 227</p> <p>1 Michael Plummer</p> <p>2 A. Right.</p> <p>3 Q. Other than what you've already</p> <p>4 testified about today, I know you've mentioned</p> <p>5 this before, why do you believe those sectors</p> <p>6 have declined?</p> <p>7 A. For the reason I stated, that</p> <p>8 collectors are migrating into Contemporary Art</p> <p>9 to the exclusion of other sectors.</p> <p>10 Q. Did you notice that the volume and</p> <p>11 sales of those same three sectors in 2012 and</p> <p>12 2013 exceeded previous session models?</p> <p>13 A. Yes.</p> <p>14 Q. Is it possible that the</p> <p>15 Impressionist and Modern paintings sectors</p> <p>16 declined because there were few high quality</p> <p>17 works on the market during the depressed period?</p> <p>18 A. I think some people believed that,</p> <p>19 but I think that it's a function of the reason</p> <p>20 that I stated. That, as I said, comes from not</p> <p>21 only looking at the data but actually talking to</p> <p>22 the dealers in the field, which I indicated</p> <p>23 earlier, dealers and auction house specialists.</p> <p>24 Q. Going to paragraph 25 of your</p> <p>25 report which is on page 9, looking at</p>
<p style="text-align: right;">Page 226</p> <p>1 Michael Plummer</p> <p>2 that, but what I'm asking is a little bit</p> <p>3 different. I appreciate your willingness to do</p> <p>4 that.</p> <p>5 As you sit here today, are there</p> <p>6 any things that you find particularly egregious</p> <p>7 or inaccurate that you haven't testified about</p> <p>8 already?</p> <p>9 A. I mentioned the ones that are top</p> <p>10 of mind. There are others, but I would have to</p> <p>11 go through the report to find them.</p> <p>12 Q. Going back to -- we were talking</p> <p>13 about your report page 6 of 72 in your report,</p> <p>14 paragraph 23 which is actually on page 7,</p> <p>15 paragraph 23 is on page 7.</p> <p>16 A. Okay.</p> <p>17 Q. You state that:</p> <p>18 "Four sectors of the art market</p> <p>19 constitute 98% of the value of the fine art</p> <p>20 market: European, Modern Art, Impressionist and</p> <p>21 Post-Impressionist Art, European Old Master</p> <p>22 Paintings, and Post War and Contemporary Art.</p> <p>23 Of those four sections, three have declined in</p> <p>24 value since 2011."</p> <p>25 Do you see that?</p>	<p style="text-align: right;">Page 228</p> <p>1 Michael Plummer</p> <p>2 subparagraph A. You state that:</p> <p>3 "Selling at or below the low</p> <p>4 estimate is more the norm, and selling at the</p> <p>5 higher end of the estimate range becomes an</p> <p>6 anomaly."</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. You point to the example from</p> <p>10 Christie's evening auction as support for that,</p> <p>11 right?</p> <p>12 A. Right.</p> <p>13 (Plummer Exhibit 4, Article</p> <p>14 prepared by Zhang Yi entitled "Review of Expert</p> <p>15 Witness Report of Michael Plummer, Artvest</p> <p>16 Partners, Dated July 8, 2014", marked for</p> <p>17 identification.)</p> <p>18 Q. Let me hand you Exhibit 4.</p> <p>19 MR. SOTO: For the record,</p> <p>20 Exhibit 4 is an article prepared by Zhang Yi,</p> <p>21 which is Z-h-a-n-g, Yi, Y-i, two separate words</p> <p>22 entitled "Review of Expert Witness Report of</p> <p>23 Michael Plummer, Artvest Partners, Dated July 8,</p> <p>24 2014."</p> <p>25 Q. Have you seen this before?</p>

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<p style="text-align: right;">Page 229</p> <p>1 Michael Plummer</p> <p>2 A. I have, yes.</p> <p>3 Q. It's one of the supplements or one</p> <p>4 of the exhibits to Mr. Wiener's report, correct?</p> <p>5 A. Correct.</p> <p>6 Q. Did you review this?</p> <p>7 A. I did.</p> <p>8 Q. Will you take a look at that report</p> <p>9 in paragraphs 7 through 8?</p> <p>10 A. Yes.</p> <p>11 Q. He states that your analysis as to</p> <p>12 Christie's evening sales was incorrect, I'm</p> <p>13 quoting him:</p> <p>14 "The Artvest Report is incorrect</p> <p>15 about Christie's auction data for the evening</p> <p>16 sales of Impressionist and Modern Art. The</p> <p>17 turnover of that section on May 6th was</p> <p>18 \$285.9 million, and the estimate was between</p> <p>19 \$244.5 million to \$360.4 million." Do you see</p> <p>20 that?</p> <p>21 A. Right.</p> <p>22 Q. Did you check this man's data to</p> <p>23 determine whether you were right or he was</p> <p>24 right?</p> <p>25 A. I did.</p>	<p style="text-align: right;">Page 231</p> <p>1 Michael Plummer</p> <p>2 excluding a price disruption in this sector,</p> <p>3 growth of the art market will remain choppy over</p> <p>4 the near to mid-term in all other sectors other</p> <p>5 than Post War and Contemporary?</p> <p>6 A. Um-hum.</p> <p>7 Q. What's the basis for that opinion?</p> <p>8 A. The basis for that is, as I said,</p> <p>9 all of the data that I talked to you before, all</p> <p>10 of the conversations I talked to you about,</p> <p>11 everything that I've mentioned up to now as to</p> <p>12 my sources of information.</p> <p>13 I should add that I used this in my</p> <p>14 analysis for Citibank last year in the problems</p> <p>15 that Christie's was facing going into the</p> <p>16 future, and the activist investors, Dan Loeb and</p> <p>17 the others, based their activity with Sotheby's</p> <p>18 based on my analysis with Christie's.</p> <p>19 So I would say that my theory is</p> <p>20 not just something that I pulled out of the air,</p> <p>21 but something that is grounded in real world</p> <p>22 experience that others have taken action on,</p> <p>23 financial action on.</p> <p>24 Q. Turn again to Mr. Yi's analysis in</p> <p>25 your report, Exhibit 4. Exhibit 4, page 6 of</p>
<p style="text-align: right;">Page 230</p> <p>1 Michael Plummer</p> <p>2 Q. What was the result?</p> <p>3 A. I was right. What's curious is</p> <p>4 that I have here the 172 is the hammer price,</p> <p>5 and we say that that's the hammer price, and he</p> <p>6 seems to be disregarding that because he's using</p> <p>7 the price plus the buyer's premium which, as I</p> <p>8 told you, distorts the market. So he seems not</p> <p>9 to be adjusting, making the proper adjustments</p> <p>10 we are which shows the real activity in the</p> <p>11 marketplace.</p> <p>12 Q. So the difference between the 285.9</p> <p>13 number that Mr. Yi refers to you believe that it</p> <p>14 includes the buyer's premium?</p> <p>15 A. It includes the buyer's premium,</p> <p>16 but it looks like it includes something else. I</p> <p>17 checked the 172 million and that is the correct</p> <p>18 price, or the hammer price.</p> <p>19 Q. Looking at paragraph 25 B in your</p> <p>20 report, page 10. Your analysis assumes that the</p> <p>21 increase in international art purchases, and I'm</p> <p>22 quoting you here, is not likely to be repeated</p> <p>23 over the next five years. In fact, with growth</p> <p>24 now concentrated almost exclusively in the Post</p> <p>25 War Contemporary sector, I estimate that</p>	<p style="text-align: right;">Page 232</p> <p>1 Michael Plummer</p> <p>2 that exhibit?</p> <p>3 MR. IRWIN: Did you say paragraph 6</p> <p>4 or page 6?</p> <p>5 MR. SOTO: Page 6, paragraph 21.</p> <p>6 Q. Take a moment to read that. I</p> <p>7 assume you have read it before?</p> <p>8 A. Yes. He's saying the opposite of</p> <p>9 what I say. As I said, he may not have</p> <p>10 evidence, but he's not active in the art world</p> <p>11 the way I am on a day-to-day basis.</p> <p>12 Actually, and let me add that I</p> <p>13 have actually had this conversation with Clare</p> <p>14 McAndrew who writes the report that he's</p> <p>15 purporting to actually represent, and she</p> <p>16 actually has agreed with me.</p> <p>17 Q. Looking then back on the TEFAF</p> <p>18 report that you rely on in your report. It</p> <p>19 states that:</p> <p>20 "Emerging markets are increasing</p> <p>21 their importance in the global wealth hierarchy</p> <p>22 and have been growing at faster rates than more</p> <p>23 developed markets, a trend that is expected to</p> <p>24 continue."</p> <p>25 Did you disagree with the TEFAF</p>

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<p style="text-align: right;">Page 233</p> <p>1 Michael Plummer 2 report? 3 A. No, I don't agree with that -- I 4 don't disagree with that. 5 Q. Where is the disconnect then 6 between your view that this -- are they talking 7 about two different sectors of art, is that what 8 I'm missing here? 9 The TEFAF report says that emerging 10 markets will continue to grow, correct? 11 A. They will continue to grow, but it 12 doesn't say by how much and at what pace. 13 Q. It says at faster rates than 14 developed market? 15 A. Still, it's not saying what that 16 impact will be on the larger art market and what 17 percentage. All I'm saying is it's not going to 18 be the kind of growth that happened from 2003 to 19 2012, some years will be up, some years will be 20 down. I'm not denying that there won't be 21 growth at all. 22 Q. So your analysis is that there 23 won't be growth, it just might not be as fast as 24 it was before? 25 A. It might not be as fast as it was</p>	<p style="text-align: right;">Page 235</p> <p>1 Michael Plummer 2 A. I promised the people that I talked 3 to that I would not reveal who they were. 4 Q. Assuming for the moment that the 5 DIA did sell its collection, is it your opinion 6 that museums would refuse to bid on the, I think 7 you described it as once in a lifetime sale 8 artworks that you described earlier? 9 A. I think there are a number of 10 obstacles in the bidding. I think that they 11 would be reluctant to, some of them would 12 boycott, some of them would have difficulty -- 13 most of them would have difficulty coming up 14 with the funding of the magnitude of some of the 15 master works. 16 Q. Let's take the example of "The 17 Wedding Dance"? 18 MR. IRWIN: Sorry, are you done? 19 Q. I'm sorry. 20 A. I'm not sure. For the moment I'm 21 done. 22 Q. Take the example of "The Wedding 23 Dance" by Peter Bruegel. Is it your testimony 24 here that museums would -- if it was going to be 25 sold as a City work of art by the DIA, is it</p>
<p style="text-align: right;">Page 234</p> <p>1 Michael Plummer 2 in the past. 3 Q. Turning to page 25 of your report. 4 Under museum purchases you state that: 5 "Few sales would be to other 6 museums, both because other museums are likely 7 to boycott such sales, as well as because 8 funding constraints limit their participation in 9 the marketplace." Correct? 10 A. Correct. 11 Q. What is the basis for your 12 statement that museums are likely to boycott the 13 sale? 14 A. Comments made by other museum 15 professionals to me. 16 Q. Those were again not at the DIA, 17 but at other museums? 18 A. At other museums. 19 Q. I think you testified earlier you 20 spoke to about 20 people? 21 A. People either in museums or 22 associated with museums. 23 Q. Can you recall which museums you 24 spoke with about the potential sale of art at 25 the DIA?</p>	<p style="text-align: right;">Page 236</p> <p>1 Michael Plummer 2 your opinion that there would be no museums that 3 would bid on that once in a lifetime sale of 4 art? 5 A. No, I didn't use any -- I never 6 used no or all or anything; I just said that it 7 would not be the solution that people might 8 think it is. I can't sit here and say that no 9 one would bid on anything, but I can sit here 10 and say that if you're liquidating 100 master 11 works that are worth, you know, a billion 12 dollars or \$800 million, whatever it works out 13 to be, that the museum community is going to 14 come up with \$800 million to be able to buy 15 those works of art. 16 (Plummer Exhibit 5, Article by 17 Katherine Boyle from the Washington Post, dated 18 October 6, 2013, entitled "Poor Detroit: What 19 money giveth, It can taketh away", marked for 20 identification.) 21 BY MR. SOTO: 22 Q. Let me hand you Exhibit 5. 23 Exhibit 5 is an article by Katherine Boyle, 24 B-o-y-l-e, from the Washington Post, dated 25 October 6, 2013, it's entitled "Poor Detroit:</p>

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<p style="text-align: right;">Page 237</p> <p>1 Michael Plummer</p> <p>2 What money giveth, It can taketh away." Do you</p> <p>3 see that?</p> <p>4 A. Yes.</p> <p>5 Q. Have you reviewed this article</p> <p>6 before?</p> <p>7 A. I have, yes.</p> <p>8 Q. What occasioned your review of this</p> <p>9 article?</p> <p>10 A. I read it when it came out.</p> <p>11 Q. The article discusses the potential</p> <p>12 sale at the DIA, correct?</p> <p>13 A. Right.</p> <p>14 Q. Certainly read all of it. If you</p> <p>15 read it already I'm going to ask you some</p> <p>16 questions on the second page where you're</p> <p>17 quoted?</p> <p>18 A. Um-hum.</p> <p>19 Q. As saying:</p> <p>20 "In situations where a museum is</p> <p>21 deaccessioning important pieces, boycotts are</p> <p>22 rare. It's a market driven by opportunism, and</p> <p>23 this would be an opportunity. While one</p> <p>24 collector sits on their hands, another won't."</p> <p>25 Do you see that?</p>	<p style="text-align: right;">Page 239</p> <p>1 Michael Plummer</p> <p>2 their hands, but another won't?</p> <p>3 A. Right.</p> <p>4 Q. You still agree with that, correct?</p> <p>5 A. And that applies to the</p> <p>6 Impressionist sector and the Contemporary</p> <p>7 sectors where I did not factor in a discount.</p> <p>8 But in the American market, for reasons stated</p> <p>9 in the report, I do think people would sit on</p> <p>10 their hands and they would not be opportunistic.</p> <p>11 Q. Is it your view that people in the</p> <p>12 global market are not interested in American</p> <p>13 Art?</p> <p>14 A. Yes. American Art is collected</p> <p>15 almost exclusively by -- no, not almost, it is</p> <p>16 collected exclusively by Americans.</p> <p>17 Q. You further state in this article:</p> <p>18 "There's an enormous amount of</p> <p>19 wealth in this country, and we have some of the</p> <p>20 most active buyers at auction. We shouldn't</p> <p>21 immediately come to the conclusion that someone</p> <p>22 from overseas would buy these works."</p> <p>23 Do you remember making that</p> <p>24 statement?</p> <p>25 A. I do.</p>
<p style="text-align: right;">Page 238</p> <p>1 Michael Plummer</p> <p>2 A. Aha.</p> <p>3 Q. Did you still agree with that</p> <p>4 statement?</p> <p>5 A. This is part of a much fuller</p> <p>6 conversation which got distilled down into two</p> <p>7 sound bites in this piece. What I said was much</p> <p>8 more nuanced, and I think is reflected in my</p> <p>9 report which is, when I said that the taint</p> <p>10 would happen in this collection I was</p> <p>11 referring -- in terms of my numeric approach I</p> <p>12 only applied it to the American sector, and the</p> <p>13 reason for doing that is reflected -- this</p> <p>14 comment reflects that.</p> <p>15 I think outside of America the</p> <p>16 buyers will be less impacted, they'll be less</p> <p>17 concerned about whether it's from the Detroit</p> <p>18 collection. That kind of nuance gets lost in an</p> <p>19 article in the Washington Post, they're just</p> <p>20 trying to get a couple of sound bites out of</p> <p>21 you, but I think it's better reflected in my</p> <p>22 report.</p> <p>23 Q. In the Washington Post you were</p> <p>24 essentially stating in your opinion that in a</p> <p>25 more global market one collector might sit on</p>	<p style="text-align: right;">Page 240</p> <p>1 Michael Plummer</p> <p>2 Q. There you're talking about the</p> <p>3 wealth in America, correct?</p> <p>4 A. Right. I was specifically refer to</p> <p>5 the Post War and Contemporary sector where I did</p> <p>6 not take a discount because, unlike the American</p> <p>7 sector, I don't think the collectors in that</p> <p>8 sector care much about the DIA and would be</p> <p>9 quite -- could be voracious in going after some</p> <p>10 of the works in that collection.</p> <p>11 Q. So the paragraph above the quote I</p> <p>12 just read you says:</p> <p>13 "It's also possible American Art</p> <p>14 collectors would respond to keep the works in</p> <p>15 this country. Some of the most expensive works</p> <p>16 purchased at auction have been sold to American</p> <p>17 collectors: Hedge fund manager Steven Cohen</p> <p>18 bought Picasso's "Le Reve" for \$155 million.</p> <p>19 Billionaire financier Leon Black bought one of</p> <p>20 Edward Munch's "The Scream" for \$120 million.</p> <p>21 It's possible that major museums could partner</p> <p>22 with wealthy buyers to keep the most expensive</p> <p>23 works in the United States." Correct?</p> <p>24 A. I didn't say this, this is the</p> <p>25 author's language.</p>

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Michael Plummer

Q. Do you think that's correct?

A. I don't know. I don't know because -- I don't want to speculate on these individuals and the logic of this because I don't necessarily agree with it.

Q. There would be wealthy Americans who might want to keep American Art in America, correct?

A. Well, American Art wouldn't -- there are no buyers for American Art outside of America. I'm saying American Art will be difficult to sell at all because the collector base would find the collection tainted.

Q. Even private individuals, like these wealthy hedge fund owners?

A. Well, these hedge fund owners don't buy American Art.

Q. Is that your statement?

A. Let me clarify. We're talking about American Art pre-1950; all of the examples here are Contemporary Art or Modern Art. Steve Cohen does not buy American Art pre-1950, Leon Black, to my knowledge, doesn't buy American Art pre-1950, so I don't think that this is really

Michael Plummer

relevant to the point I'm making.

They do buy Contemporary Art, which I mentioned earlier was a sector that I do think that this logic -- the logic that buyers would bid in that area.

Q. Let's go to page 26 of your report. Paragraph 39 you state:

"In this section, I anticipate and quantify various different potential factors that, based on either current market conditions or historic precedent, are likely to have a financial effect on the sale of the art from the DIA collection. Many of these factors are not taken into account in any standard appraisal or fair market situation. I also apply the discount factors for various sale scenarios."

Do you see that?

A. Um-hum.

Q. Now we've discussed some of these issues before, correct?

A. Um-hum.

Q. Didn't you say that you conducted a fair market value evaluation, correct?

A. Correct.

Michael Plummer

Q. So in addition to the fair market value evaluation, you added additional elements that you refer to as factors that are not taken into account in the standard appraisal, correct?

A. Correct.

Q. Is there a reason why you wouldn't have included those factors in your appraisal to begin with, why those factors wouldn't be included if you're really trying to get a fair market value?

Doesn't that mean when you said earlier what a willing seller would sell at and what a willing buyer would buy at?

MR. IRWIN: Form.

A. I felt that the way to get the most transparent and accurate -- the most transparent and logical approach was to apply it en masse so that the reasoning could be understood. I'll give you a counter-example which is that Wiener approach provided a supplement, he did it piece by piece, but it's not transparent. So it's not understandable what methodology he used and how he applied it. Here you can see my logic, you can understand it and you can debate it.

Michael Plummer

Q. Would you agree with me that some appraisers, like even some you're familiar with, would include some of the factors you used in coming at an appraisal value?

A. They might consider some of them for certain pieces but not for others, some of these they wouldn't consider the all.

Q. Let me go through your opinions and get some information on the basis other than what might be here. So on paragraph 41 which is on page 26 you say:

"An immediate liquidation of the art collection will result in selling the DIA collection at a fraction of its fair market value."

Do you see that?

A. Um-hum.

Q. What's the basis of that conclusion?

A. Well, I give examples below, or the example below, the Matisse collection, which is a classic example of that. I think that you could even look at the offers on the table for that Houlihan Lokey brought forward as actually

<p style="text-align: right;">Page 245</p> <p>1 Michael Plummer</p> <p>2 examples of exactly that, that they are offers</p> <p>3 to get a block of property below value and at a</p> <p>4 serious discount.</p> <p>5 Q. So the reason why an immediate sale</p> <p>6 would bring a fraction of it, other than the</p> <p>7 examples you've given would be what, there's too</p> <p>8 much art on the market at one time; is that it?</p> <p>9 A. There are actually various points</p> <p>10 to support this. One is this real-life example</p> <p>11 of Acquavella. Two is that if you put too much</p> <p>12 of a certain thing on the market you will</p> <p>13 depress prices, which is a blockage discount.</p> <p>14 Three, there is the fact that I use as a rule of</p> <p>15 thumb -- I mean, in the art market it is</p> <p>16 standard practice that the loan to value ratio</p> <p>17 for an art loan is 50 percent.</p> <p>18 And the logic behind that, and this</p> <p>19 is something that I -- when I mentioned to you</p> <p>20 that I was setting up lending capacities with</p> <p>21 banks at Christie's, this is a philosophy I got</p> <p>22 into with great complexity with the underwriters</p> <p>23 at various banks that the -- this is a</p> <p>24 long-standing tradition in the art market,</p> <p>25 because 50 percent is felt to be a -- the most</p>	<p style="text-align: right;">Page 247</p> <p>1 Michael Plummer</p> <p>2 works of art if they have sold quickly. So I</p> <p>3 didn't need to do a survey, this is based on</p> <p>4 real world experience.</p> <p>5 Q. So in your experience, how many</p> <p>6 loans have you participated in to date?</p> <p>7 A. I don't know, but many.</p> <p>8 Q. More than 10?</p> <p>9 A. More than 10.</p> <p>10 Q. More than 20?</p> <p>11 A. Possibly. I haven't kept count.</p> <p>12 Q. More than 30?</p> <p>13 A. Possibly. I don't remember.</p> <p>14 Q. What would be your outside number?</p> <p>15 A. I don't know. There are not just</p> <p>16 loans that have gone through, there are loans</p> <p>17 that have been negotiated that have not gone</p> <p>18 through. There are multiple discussions for</p> <p>19 things that don't come to fruition.</p> <p>20 Q. I'm trying to understand the basis</p> <p>21 for your opinion. Based on the experience that</p> <p>22 you have just described, possibly more than 30</p> <p>23 as you put it; you're saying that those loans</p> <p>24 take the art as collateral under the assumption</p> <p>25 that on a quick sale it would only get</p>
<p style="text-align: right;">Page 246</p> <p>1 Michael Plummer</p> <p>2 valid number for a fast sale of a work of art</p> <p>3 which is why it is used in lending.</p> <p>4 That is supported by the fact that</p> <p>5 nearly every lender uses that number. Now,</p> <p>6 notwithstanding that, Art Capital Group used</p> <p>7 20 percent in its offer to the DIA, but that's</p> <p>8 an exceptional circumstance and an exceptional</p> <p>9 offer.</p> <p>10 Q. So beyond your experience with</p> <p>11 Citibank, were there any other studies that you</p> <p>12 relied on for the 50 percent number?</p> <p>13 A. No. I'm saying that there were no</p> <p>14 studies. I'm saying that with my experience</p> <p>15 with all the art -- I have a relationship with</p> <p>16 all of the art lenders in the art industry and</p> <p>17 do business with most of them. I'm saying that</p> <p>18 the practices amongst all of them, and including</p> <p>19 Sotheby's and Christie's, and in developing the</p> <p>20 art lending program at Christie's where we use</p> <p>21 the same practice, it is 50 percent.</p> <p>22 It is 50 percent because that has</p> <p>23 been a long-standing custom, business custom in</p> <p>24 the art world, that that is a value you can</p> <p>25 expect to get from a work of art or a group of</p>	<p style="text-align: right;">Page 248</p> <p>1 Michael Plummer</p> <p>2 50 percent of whatever the value is?</p> <p>3 A. Right.</p> <p>4 Q. So for collateral purposes, if they</p> <p>5 had to have a quick sale then they would assume</p> <p>6 they would only get 50 percent; and that's the</p> <p>7 point you're making, correct?</p> <p>8 A. Yes.</p> <p>9 Q. Then you extend that analysis and</p> <p>10 say so, if there had to be a quick sale of the</p> <p>11 DIA art, you would expect that the most you</p> <p>12 would get is 50 percent of what its value is; is</p> <p>13 that what you're saying?</p> <p>14 A. That is what I'm saying. I'm</p> <p>15 saying that it's based on not just that loan</p> <p>16 criteria, but also the real world experience of</p> <p>17 Acquavella, and also the current offers on the</p> <p>18 table for the DIA collection from Houlihan</p> <p>19 Lokey. I think that they reflect that kind of</p> <p>20 thinking and valuation.</p> <p>21 Q. Why do you assume that there would</p> <p>22 have to be a quick sale of the loan to the DIA</p> <p>23 for its art?</p> <p>24 A. I'm not assuming there has to be.</p> <p>25 I'm assuming that if this route were taken this</p>

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<p style="text-align: right;">Page 249</p> <p>1 Michael Plummer</p> <p>2 would be the outcome.</p> <p>3 Q. If there were a quick sale?</p> <p>4 A. If there were a quick sale. Which</p> <p>5 is one of the reasons why I laid this out in</p> <p>6 this manner, so that we could debate which</p> <p>7 scenarios might take place. I'm not assuming</p> <p>8 that one scenario or another would take place,</p> <p>9 that's for the Court to decide, or the DIA to</p> <p>10 decide, or the City of Detroit to decide; I'm</p> <p>11 just describing what would happen in various</p> <p>12 scenarios.</p> <p>13 Q. So then following your logic, if</p> <p>14 there wasn't a quick sale then this factor</p> <p>15 wouldn't apply; if there was a sale over time,</p> <p>16 over a long period of time?</p> <p>17 A. I outlined that scenario later on</p> <p>18 and I do not use a blockage discount in that</p> <p>19 scenario.</p> <p>20 Q. In the Matisse example that you</p> <p>21 provided, that you were referring to earlier, do</p> <p>22 you know what the loss factor was there?</p> <p>23 A. I don't. That data wasn't</p> <p>24 available to me.</p> <p>25 Q. Did you do the analysis?</p>	<p style="text-align: right;">Page 251</p> <p>1 Michael Plummer</p> <p>2 Q. What do you qualify as a short</p> <p>3 period of time?</p> <p>4 A. I don't think I specified here, but</p> <p>5 I would say anything other than an orderly</p> <p>6 liquidation which is given, and the other</p> <p>7 example would be a short period of time.</p> <p>8 Q. I have no idea what that means.</p> <p>9 What would you say is an ordinary liquidation?</p> <p>10 A. Further on I do say what an orderly</p> <p>11 liquidation is, five to eight years is what I</p> <p>12 say.</p> <p>13 Q. So anything other than a five to</p> <p>14 eight year sale would be a short period of time?</p> <p>15 A. Yes. I mean, I hadn't thought</p> <p>16 about three, five years or whatnot; but I would</p> <p>17 say if you sold it in a one to two-year period</p> <p>18 you would be facing a liquidation issue.</p> <p>19 Q. Let me see if I get this right. A</p> <p>20 one to two-year period you clearly would be</p> <p>21 facing a blockage discount, correct?</p> <p>22 A. Or a liquidation discount.</p> <p>23 Q. Or a liquidation discount, but</p> <p>24 maybe beyond that it would depend?</p> <p>25 A. Correct, it would depend.</p>
<p style="text-align: right;">Page 250</p> <p>1 Michael Plummer</p> <p>2 A. I count the numbers from Sotheby's</p> <p>3 report. That data is internal Sotheby's data</p> <p>4 and it's not available.</p> <p>5 Q. Let's turn to the blockage discount</p> <p>6 again, page 27 of your report. You state that a</p> <p>7 blockage discount is similar to an immediate</p> <p>8 liquidation discount, correct?</p> <p>9 A. Correct.</p> <p>10 Q. But results from selling a large</p> <p>11 group of similar items in a short time, correct?</p> <p>12 A. Correct.</p> <p>13 Q. That's what you describe as a</p> <p>14 blockage discount?</p> <p>15 A. Right.</p> <p>16 Q. Is there anything else you would</p> <p>17 describe as a blockage discount?</p> <p>18 MR. IRWIN: Form.</p> <p>19 A. I don't know what you're really</p> <p>20 asking me. I think this is sufficient for the</p> <p>21 purposes here.</p> <p>22 Q. So this assumes that the pieces</p> <p>23 would be sold in a short period of time again,</p> <p>24 correct?</p> <p>25 A. Yes, it is.</p>	<p style="text-align: right;">Page 252</p> <p>1 Michael Plummer</p> <p>2 Q. So if the items were not sold in</p> <p>3 the short period of time, then again this</p> <p>4 blockage discount might not apply, correct?</p> <p>5 A. Correct.</p> <p>6 Q. What is the blockage discount that</p> <p>7 you applied?</p> <p>8 A. In this instance I -- well, I</p> <p>9 really treat it as liquidation discount, which</p> <p>10 is 50 percent.</p> <p>11 Q. So you used that same 50 percent</p> <p>12 number?</p> <p>13 A. Yeah, in the charts I didn't</p> <p>14 differentiate, I only applied one discount, a</p> <p>15 liquidation discount. I didn't differentiate</p> <p>16 between blockage and liquidation.</p> <p>17 Q. Again, do you have any studies to</p> <p>18 support the application of this discount rate</p> <p>19 and the blockage discount?</p> <p>20 A. No. I rely on the data that I just</p> <p>21 gave you on the liquidation discount.</p> <p>22 MR. IRWIN: For clarification</p> <p>23 purposes. When you're asking these questions do</p> <p>24 you mean other than what's stated in the report?</p> <p>25 MR. SOTO: No. He gives me the</p>

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1 Michael Plummer
2 data in his report, I've looked at that and I'm
3 asking him if there's anything other than that,
4 because in his report he doesn't have any
5 studies, so I'm asking him if there are any
6 studies.

7 A. I think studies are irrelevant. I
8 have real-life experience and I've given you the
9 examples.

10 Q. So you have real-life experience
11 for a number of the loans?

12 A. No, I have real-life experience for
13 the number of lenders. It is common policy
14 amongst all art lenders to use 50 percent. It's
15 not just my experience with my loans, it's my
16 experience with knowing what Citibank does, what
17 JPMorgan does; and having conversations on a
18 regular basis with Citibank, with JPMorgan, with
19 Chase and HSBC, with Barclays, with all of these
20 institutions.

21 Q. Do you think as an expert that that
22 makes it a more reliable factor, that a lender
23 which would want to have collateral for their
24 loan requires a 50 percent valuation of an item
25 they're taking in as collateral, that somehow

1 Michael Plummer
2 that's indicative of what the market would be?

3 A. That is their view of a liquidation
4 value, and having worked through liquidations at
5 Sotheby's and Christie's that has turned out to
6 be generally a fair number to use in real life.

7 Q. So that's what I was asking. I'm
8 asking you for real-life examples; not what a
9 banker that wants to make a loan might want for
10 his collateral, but in fact what an immediate
11 sale brings in.

12 In your experience, how many
13 immediate sales did you work on at Sotheby's?

14 A. At Sotheby's and Christie's, I
15 don't remember because that's a long time ago;
16 but there were a number of them that I either
17 worked on or reviewed in the prospect of setting
18 up the program at Christie's, and 50 percent was
19 a valid number to use.

20 Q. So what you're saying is that in
21 your experience and this unknown number of
22 immediate sales, that what you would expect to
23 get for a valued piece of art is about
24 50 percent of whatever its value was?

25 A. Correct. I'm working on a

1 Michael Plummer
2 liquidation issue right now with a client who's
3 defaulted, and we are expecting 50 percent.

4 Q. Is there any publicly available
5 data that we can review to determine the
6 validity of your opinion?

7 A. No, but I would suggest if you
8 wanted to speak to some of the banks that I've
9 referenced, they would probably support my
10 opinion.

11 Q. Right. Again, the banks are
12 looking for collateral. I'm asking for publicly
13 available data on sales?

14 A. I think if you would ask some of
15 the banks about some of their liquidations you
16 might find data.

17 MR. IRWIN: Outside of the report?
18 Outside of the example, the Acquavella example
19 that he gives in the report?

20 MR. SOTO: Right.

21 MR. IRWIN: So other than
22 Acquavella.

23 MR. SOTO: We've already seen
24 Acquavella. Acquavella doesn't come to
25 50 percent by the way, but that's a different

1 Michael Plummer
2 issue.

3 BY MR. SOTO:

4 Q. Is there any privately available
5 data that you could point me to that in
6 immediate sales sellers realize, generally
7 speaking, 50 percent of the value of their art?

8 A. I don't know what else I can point
9 you to.

10 Q. You state that the IRS for tax
11 purposes uses a discount range between
12 25 percent and 46 percent?

13 A. Yes.

14 Q. That's a pretty wide range,
15 correct?

16 A. Correct.

17 Q. What is that rate based on?

18 A. It's based on the precedence set in
19 the case in the estates of David Smith and
20 Georgia O'Keeffe, as I outlined here.

21 Q. Would you agree with me that the
22 blockage discount applied for tax purposes is
23 different than that applied in a sale itself?

24 A. Yes.

25 Q. Looking at page 27 of your opinion.

1 Michael Plummer
2 We're on paragraph 44 where you talk about
3 unsold rates. Your report states, "Standard
4 appraisals and valuations do not take into
5 account auction unsold rates."

6 Do you see that?

7 A. Yes.

8 Q. Again, when you refer to "unsold
9 rates" are you referring to what you testified
10 about earlier, which is items that would have
11 been offered for sale at an auction, but didn't
12 actually sell?

13 A. Correct.

14 Q. Then those auctions would be --
15 those items would be then either given back to
16 the original owner or offered again at a lower
17 rate?

18 A. Correct.

19 Q. Is that it?

20 A. Correct.

21 Q. That's the unsold rate. Is it
22 possible, I mean I see your statement, but I'm
23 wondering is it even possible to factor this in
24 advance of a sale?

25 How do you know what's not going to

1 Michael Plummer
2 sell in advance of a sale?

3 A. Well, you don't, but you can say
4 you're going to sell 100 percent of the property
5 is the point I'm making. So to take the full
6 valuation and expect that you're going to get
7 that valuation, and not account for unsold, is
8 an incorrect way to determine your value,
9 because you have a rather substantial amount
10 that's going to remain unsold. I think it's
11 particularly misleading in a situation like this
12 where decisions are being made on the ultimate
13 value.

14 Q. Why is that?

15 A. Well, because I think if you don't
16 include it, it overstates the value and
17 liquidity.

18 Q. I see what you mean. Let me see if
19 I see what you mean. You mean it overstates the
20 value of the overall collection because there
21 will be some that won't be sold?

22 A. And it also overstates the
23 liquidity, and the liquidity is something that
24 we write and talk about in the market a lot,
25 because the market is an extremely illiquid

1 Michael Plummer
2 market and the unsold rates are part of that
3 illiquidity problem.

4 So if you have an appraisal that
5 says that you have \$100 million worth of
6 property, and you're expecting to get \$100
7 million worth of cash when \$20 million of that
8 isn't go to sell, you have a illiquid value of
9 \$80 million, and that's a big variance.

10 Q. You don't think you're taking the
11 unsold rate and discount it and factor it in
12 twice?

13 In other words, what you're saying
14 is the unsold rate is if you don't take it into
15 account you're distorting the overall value of
16 the collection because there's going to be
17 something that isn't sold.

18 Then you're also saying that in
19 addition to that, you're overstating the
20 liquidity and another factor has to be taken in?

21 A. No.

22 Q. It's that same factor?

23 A. It's the same factor.

24 Q. Okay. I just want to make sure.
25 You state that the average unsold rate is

1 Michael Plummer
2 20 percent, correct?

3 Again, let me ask you, what's the
4 source of those rates?

5 A. It's in the back, it's an exhibit
6 in the back. It's the Christie's and Sotheby's
7 data actually which Wiener used for his own
8 estimates of the collection.

9 Q. Your chart also lists the average
10 unsold rates for different sectors, correct?

11 A. Yes.

12 Q. That's because you're taking it
13 from the Christie's and Sotheby's data for
14 different sectors?

15 A. Yes.

16 Q. Why did you apply an average unsold
17 rate of 20 percent when the data that you
18 supplied you used an average rate of 20 percent?

19 A. I'm sorry?

20 Q. You applied an average unsold rate
21 of 25 percent for the DIA. Look at page 28,
22 Table 4?

23 A. What page are you on?

24 Q. Page 28 of your report, it's got a
25 table. Correct me if I'm reading this wrong.

1 Michael Plummer
 2 You have your top four sectors listed, correct?
 3 A. Right.
 4 Q. Then you have a balance of
 5 collection 20 percent, 25 percent. So the
 6 average you used, if I'm understanding it right,
 7 it says here in D:
 8 "It is important to note that much
 9 of this unsold property could and would be sold
 10 over time, but it is customary business practice
 11 to devalue a work by 20% of the low estimate
 12 after it has bought in."
 13 So you're saying here's going to be
 14 the average?
 15 A. Right.
 16 Q. I thought you were saying the
 17 average unsold was 20 percent, so you do a
 18 discount of 20 percent for the unsold. You do a
 19 discount of the entire valuation because
 20 20 percent of it is going to be unsold, correct?
 21 A. I'm not discounting the collection
 22 here, I'm just showing what the potential of the
 23 BIs could be. I actually do it differently in
 24 the present value calculation, where I actually
 25 do a more thorough analysis where I discount the

1 Michael Plummer
 2 unsold and then I add them back in a few years
 3 later after -- at a 20 percent valuation.
 4 So that's more reflective of my
 5 thinking on this. This was just an illustrative
 6 of the potential for unsold in different
 7 categories.
 8 Q. So this is just illustrating the
 9 potential into categories, but when you did the
 10 calculation you did use a 20 percent discount
 11 value?
 12 A. I did use the 20 percent discount
 13 value.
 14 Q. That's what I'm trying to get at.
 15 Page 28, paragraph 45. In your report you state
 16 that:
 17 "The size of a liquidation of the
 18 DIA collection would be beyond Christie's and
 19 Sotheby's guarantee capacities."
 20 What's the basis of that
 21 conclusion?
 22 A. The basis of that is the Sotheby's
 23 financial statement with their loan limitations,
 24 which I dictate below. I also, having been
 25 inside Christie's and knowing their balance

1 Michael Plummer
 2 sheet, and knowing their balance sheet
 3 limitations, I know what they have to spend on
 4 guarantees and what their limitations are.
 5 Q. So it's your assumption then that
 6 if they wanted to participate in something like
 7 this, they couldn't get any other financing to
 8 be able to participate in it?
 9 A. I think that this would be a very
 10 large level of risk, and in the past when
 11 Sotheby's and Christie's were presented with
 12 collections of this size they have chosen not to
 13 go out and get a financing partner for it. So
 14 based on past experience I would say so.
 15 Q. But you don't know if that's a set
 16 policy, correct?
 17 A. I don't know if it's a set policy.
 18 Q. It's been a while since you worked
 19 for either Sotheby's or Christie's?
 20 A. It's been a while since I worked
 21 for either Sotheby's or Christie's.
 22 Q. You state that on page 29,
 23 paragraph 46 --
 24 A. We're assuming that Sotheby's and
 25 Christie's would be wanting to sell them in the

1 Michael Plummer
 2 first place.
 3 Q. I'm just asking the questions, I'm
 4 not assuming what they would do. Do you?
 5 A. No.
 6 Q. Paragraph 46, page 29. You state
 7 in your report that the auction houses may,
 8 "refuse to sell due to the controversy
 9 surrounding a disposition and potential damage
 10 to their brand and relationships with the
 11 broader Museum community"?
 12 A. Yes.
 13 Q. You testified about this earlier?
 14 A. Correct.
 15 Q. Do you have anything more to add to
 16 that testimony that you recollect, now that
 17 you're looking at your opinion here?
 18 A. No, I think I covered this, I
 19 covered this earlier.
 20 Q. I didn't ask you earlier. Did you
 21 speak to anyone at Christie's about this
 22 opinion?
 23 A. Someone at Christie's expressed
 24 their opinion to me in a social setting.
 25 Q. Off the record?

1 Michael Plummer
 2 A. Off the record.
 3 Q. And you couldn't give me their name
 4 because you promised not to?
 5 A. Yes.
 6 Q. What about Sotheby's?
 7 A. I did not have a conversation with
 8 Sotheby's about it.
 9 Q. Christie's did complete and submit
 10 their report that you relied on in your opinion,
 11 correct?
 12 A. Um-hum.
 13 Q. So despite what you described
 14 earlier as bad press they didn't back out of it,
 15 they finished the work and they got it done,
 16 correct?
 17 A. Correct.
 18 Q. You also note that the impact of
 19 not selling through Sotheby's or Christie's
 20 would reduce the sale value by 20 to 40 percent?
 21 A. Right.
 22 Q. Other than your subjective belief
 23 that it would reduce it by 20 to 40 percent not
 24 to sell it through Sotheby's and Christie's,
 25 what is the basis of this discount factor?

1 Michael Plummer
 2 MR. IRWIN: Form. Go ahead.
 3 A. The basis is I have samples of
 4 others earlier in the report where the valuation
 5 ranges in works of art by various artists are
 6 off by a larger percentage than that. So I felt
 7 this was a conservative approach based on those
 8 examples I gave, and my own personal experience
 9 of buying in the marketplace on behalf of the
 10 buyers and selling.
 11 Q. The examples you're referring to
 12 are the examples in the report?
 13 A. In the report.
 14 Q. Any others?
 15 A. No.
 16 Q. Given the volume of the artworks at
 17 the DIA, wouldn't it be wise to sell that many
 18 artworks to a variety of sources, including
 19 maybe a variety of auction houses?
 20 A. You could do it, I just believe
 21 that if you sell other than at Sotheby's and
 22 Christie's you won't get the prices.
 23 Q. Let me ask you to turn to page 31.
 24 We're just flying through this thing, paragraph
 25 49. You state that:

1 Michael Plummer
 2 "For a collection of the magnitude
 3 of the DIA's, maximizing art asset value
 4 requires selling over a minimum of five to eight
 5 years." Correct?
 6 A. Um-hum.
 7 Q. That's what you testified about
 8 just a moment ago, correct?
 9 A. Correct.
 10 Q. What is that estimated time period
 11 based on?
 12 A. Well, I mentioned much earlier in
 13 the testimony that that is essentially the plan
 14 of almost any art investment structure out
 15 there, that it would be a six to eight year
 16 period. That's just a commonly held belief and
 17 practice that the market can only absorb so much
 18 material at a time, and if you're going to
 19 maximize value you need to have a lengthy, a
 20 long enough ramp time so that you can pick and
 21 choose your seasons and your periods and put the
 22 property in the right auctions.
 23 Q. I'm glad you clarified that,
 24 because I thought when you were testifying
 25 earlier, that what you were saying is if you

1 Michael Plummer
 2 were going to set up an investment fund you have
 3 to hold the art for five to eight years before
 4 you begin the process of selling, so that it has
 5 some ability to increase in value; but you were
 6 saying something different now?
 7 A. No, I'm not. I'm saying the same
 8 thing. I'm saying that you would hold the art
 9 for a couple -- you would sell the art from a
 10 fund over a five to eight year period as well,
 11 so I'm saying it's consistent.
 12 Q. You don't have to hold it for a
 13 five to eight year period then begin to sell it,
 14 just sell it over a five to eight year period?
 15 A. Sell it over a five to eight year
 16 period.
 17 Q. Thank you. Do you have any
 18 reliable sources or studies to support this?
 19 MR. IRWIN: Form.
 20 A. I do not have anything other than
 21 common art investment fund practice. However, I
 22 would say if you wanted to look at the offering
 23 documents of most of the art investment funds
 24 out there you would find that strategy
 25 articulated.

1 Michael Plummer
2 Q. Paragraph 32 -- page 32, paragraph
3 50. Looking at number C. You say, "Based on
4 other museum deaccessions to pay debts." Do you
5 see that?

6 A. Yes.

7 Q. What other art museums do you know
8 that have had deaccessions to pay debts?

9 A. The de Valera Museum.

10 Q. Any others?

11 A. Well, the Fisk was one that was
12 attempted but blocked, and then it went through,
13 but under the agreement of the Attorney General.

14 Q. So you have Delaware and Fisk in
15 Tennessee, correct?

16 A. Yes.

17 Q. Anywhere else?

18 A. Then there is also the attempted
19 sale of the Rose Museum by Brandeis, but that
20 sort of got stopped dead in its tracks. It
21 didn't even make it to the point of sale because
22 of the public outcry.

23 Q. The rose Museum by Brandeis
24 University?

25 A. Yes.

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2 Q. Any others?

3 A. Those are the only ones that I
4 report and those are the only ones that I am
5 aware of at the moment.

6 Q. You say, "Court challenges are
7 likely from the Michigan Attorney General." Do
8 you see that?

9 A. Um-hum.

10 Q. What is the basis of that? Have
11 you spoken to somebody at the Michigan Attorney
12 General's office?

13 A. No. Based on what has happened to
14 various sales in New York and other places, I
15 would expect that the Attorney General and also
16 the Attorney General has come out, yes, the
17 Attorney General has come out as a matter of
18 record and says that he opposes the sale. So it
19 would be logical to assume that he would bring
20 action as Attorney General, as other states
21 have.

22 Q. When you say the Attorney General
23 has come out and said he opposes the sale, are
24 you basing that on the Attorney General's
25 opinion that the art is held in trust?

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2 A. Yes.

3 Q. Is there anything else that you're
4 basing it on?

5 A. And basing it on the activities of
6 the New York Attorney General of various sales,
7 and the Attorney General of the State of
8 Tennessee.

9 Q. So assuming the situations in
10 Tennessee and New York are not the same because
11 they weren't dealing with a city-owned museum, a
12 publicly-owned museum; do you have any other
13 reason to think that a Michigan State Attorney
14 General would oppose the sale?

15 MR. IRWIN: Form.

16 A. That's not entirely true because
17 the Fisk example and the New York Attorney
18 General issues on other instances pertained to
19 the sale of property that was gifted; and we're
20 not just talking about the City of Detroit
21 purchase property, we're talking about gifted
22 property that was bequested and has
23 restrictions.

24 So it is not an assumption, or
25 illogical to assume, that the Attorney General

1 Michael Plummer

2 of Michigan would step in and block the sale of
3 property that had been gifted to as a bequest or
4 whatever.

5 Q. Did you or anyone else at Artvest
6 do an analysis of the legal structure that
7 existed in Tennessee with respect to the Fisk
8 Museum?

9 A. That was beyond the scope of our
10 job.

11 Q. The answer is no then, correct?

12 A. No.

13 Q. Did you or anyone else at Artvest
14 do a legal analysis of the structure of the
15 legal position that was involved in the New York
16 example that you are giving?

17 A. No.

18 Q. Did you or anyone else at Artvest
19 do an analysis of the legal structure involved
20 in the Delaware Museum?

21 A. No, we did not.

22 Q. Did you retain anyone else to do
23 it?

24 A. We did not. May we take a break?

25 MR. SOTO: Absolutely.

<p style="text-align: right;">Page 273</p> <p>1 Michael Plummer 2 THE VIDEOGRAPHER: The time is 3 4:26 p.m., and we're going off the record. 4 (Short break taken) 5 THE VIDEOGRAPHER: The time is 6 4:40 p.m., and we're back on the record. 7 BY MR. SOTO: 8 Q. Looking at page 32, paragraph 50 C. 9 Beyond what you've testified about already 10 regarding why you think litigation challenges 11 are possible, and what you have in your report; 12 beyond those two things, is there anything else 13 that you rely on to support that opinion? 14 A. No. 15 Q. So in your statement such as those 16 on page 39 of your report where you say, make 17 sure I'm quoting it right, "Heirs of former 18 donors as well as current donors are likely 19 to" -- 20 MR. IRWIN: Are you in the middle 21 of the page? 22 MR. SOTO: Yes. I'm trying to find 23 it myself. 24 A. What page are you on? 25 MR. IRWIN: He's on 39.</p>	<p style="text-align: right;">Page 275</p> <p>1 Michael Plummer 2 A. Yes. 3 Q. Again, you didn't do any analysis 4 of the Fisk litigation? 5 A. No. 6 Q. You don't know what was involved 7 this? 8 A. No. 9 Q. You know it didn't involve a 10 City-owned museum, correct? 11 A. I know it did involve the intention 12 of the bequester, and that was at the heart of 13 the matter. 14 Q. Did you do an analysis of the 15 intentions? I think I asked you about this 16 earlier, but if I didn't I should ask it now, 17 and if I did let me know. 18 Did you do an analysis of any of 19 the restrictions that might exist on the 20 transfer of any of the art that's now part of 21 the DIA collection? 22 A. I think you did ask it but I'll 23 answer it again, I did not. 24 Q. Thanks for being patient with me. 25 In paragraph -- well it's page 36 of your</p>
<p style="text-align: right;">Page 274</p> <p>1 Michael Plummer 2 MR. SOTO: I thought I was on 39. 3 MR. IRWIN: You are, you were a 4 third of the way down. 5 MR. SOTO: Paragraph C. 6 Q. Where you say: 7 "Heirs of former donors, as well as 8 current donors, many still prominent leaders in 9 the Detroit community, and the DIA corporation 10 itself, are likely to pursue every legal option 11 necessary to stop or delay the sale of any of 12 the art potentially, leading to years of 13 litigation." 14 Do you see that? 15 A. Um-hum. 16 Q. You didn't talk to anyone else 17 about that other than -- did you talk to anybody 18 about it? 19 A. No. 20 Q. You didn't, okay. Looking at your 21 table. Is it your assumption that any 22 litigation would be a five-year litigation? 23 A. Based on the Fisk, yes. 24 Q. So you're basing it on the Fisk 25 litigation?</p>	<p style="text-align: right;">Page 276</p> <p>1 Michael Plummer 2 report, Table 6. 3 Here you apply the litigation 4 discount factor and reduce the value by an 5 additional 2 million, I think it's 2,539,108, do 6 you see that? 7 A. Right. 8 Q. Where did you come up with this 9 figure? 10 A. It's in the table in the back, the 11 calculation is either 70 or 71. I hopes this 12 matches the right table with the right 13 calculation. So this would match to page 70. 14 Q. So page 70 is Exhibit F, Table 8? 15 A. Right. 16 Q. The present value of orderly 17 liquidation? 18 A. Right. 19 Q. Where does the number come from? 20 A. Which number are you asking where 21 does that number come from? 22 Q. I was asking earlier where did you 23 come up with the 2,539,108 as a count for 24 litigation? 25 A. That is the net effects of these</p>

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<p style="text-align: right;">Page 277</p> <p>1 Michael Plummer</p> <p>2 column-by-column calculations of no income until</p> <p>3 year six, only the expense of carrying the</p> <p>4 collection. Then starting in year seven you</p> <p>5 would sell 20 percent of the collection; year</p> <p>6 eight, 20 percent; year 9, 20 percent; 15 in</p> <p>7 year 10; 15 in year 11.</p> <p>8 Taking out -- adding back the</p> <p>9 unsold property we offer three years later, the</p> <p>10 administrative expenses, and then bringing it</p> <p>11 back to a discounted net present value.</p> <p>12 Q. So this table reflects under</p> <p>13 scenario B, litigation Fisk, correct?</p> <p>14 A. Yes.</p> <p>15 Q. Under less average unsold loss</p> <p>16 factor?</p> <p>17 A. Yes.</p> <p>18 Q. You reflect a 26.20 percent loss</p> <p>19 factor, correct?</p> <p>20 A. Right. Then it's added back.</p> <p>21 Q. Where is it added back?</p> <p>22 A. It's added back in year 10 and year</p> <p>23 11.</p> <p>24 Q. So this is the add-back re-offered</p> <p>25 unsold property?</p>	<p style="text-align: right;">Page 279</p> <p>1 Michael Plummer</p> <p>2 sale after a prolonged litigation (the most</p> <p>3 likely outcome, Scenario D) to \$1.8 billion for</p> <p>4 the present value of an orderly liquidation</p> <p>5 without litigation, a less likely outcome." Do</p> <p>6 you see that?</p> <p>7 A. Yes.</p> <p>8 Q. In paragraph 56 you state that:</p> <p>9 "Using the low estimate value of</p> <p>10 about \$2.7 billion, and assuming all of the</p> <p>11 worst factors, including issues with extended</p> <p>12 litigation and a discount for unsold items, the</p> <p>13 value of the collection would sell for between</p> <p>14 0.9 billion to 1.4 billion," correct?</p> <p>15 A. Correct.</p> <p>16 Q. And your analysis is documented on</p> <p>17 Table 7, well I guess Table 6 and 7 on pages 36</p> <p>18 and 37, correct?</p> <p>19 A. Correct.</p> <p>20 Q. You only apply the discount factors</p> <p>21 to the low and mid estimates, correct?</p> <p>22 A. Correct.</p> <p>23 Q. Why didn't you apply them to the</p> <p>24 high estimate?</p> <p>25 A. Because I don't think that the high</p>
<p style="text-align: right;">Page 278</p> <p>1 Michael Plummer</p> <p>2 A. This table is cut off because this</p> <p>3 goes out for another couple of years, it's just</p> <p>4 cut off here.</p> <p>5 Q. So it goes beyond year 11?</p> <p>6 A. Yeah, it must go on to year 12. I</p> <p>7 don't remember because I don't have it front of</p> <p>8 me.</p> <p>9 Q. Take a look and see if you're</p> <p>10 looking at the same thing I'm looking at?</p> <p>11 A. Yeah. I'm doing this from memory,</p> <p>12 but I think it might go beyond year 11.</p> <p>13 Q. The one I got in the mail didn't.</p> <p>14 So if you have one that does that might be</p> <p>15 helpful?</p> <p>16 A. I could be wrong about this, I'm</p> <p>17 doing this from memory.</p> <p>18 Q. Remember, there's no closed-book</p> <p>19 test here, you can look at everything. So now</p> <p>20 looking at application of discount fees, page</p> <p>21 37, paragraph 56. You state:</p> <p>22 "I conclude that the range of</p> <p>23 values the DIA collection will sell for, using</p> <p>24 the mid estimate value, values, would be between</p> <p>25 1.1 billion for the present value of an orderly</p>	<p style="text-align: right;">Page 280</p> <p>1 Michael Plummer</p> <p>2 estimate is relevant to this case.</p> <p>3 Q. So you created a high estimate</p> <p>4 though, didn't you?</p> <p>5 A. I did create a high estimate, yes.</p> <p>6 Q. You say it's not relevant for what</p> <p>7 reason?</p> <p>8 A. Because of the fact of the areas</p> <p>9 where the property is in, the controversy around</p> <p>10 the collection, disagreeing with Wiener on the</p> <p>11 ability to market it and promote it. The high</p> <p>12 estimate really is something that is reserved</p> <p>13 for things that are really sort of untainted,</p> <p>14 that is just stellar property in a hot area, and</p> <p>15 a lot of the DIA property is not in a hot area</p> <p>16 either. So for all of the reasons that I've</p> <p>17 outlined previously.</p> <p>18 Q. Let me see if your methodology is</p> <p>19 what I think it is. You first said you did a</p> <p>20 valuation, correct?</p> <p>21 A. Um-hum.</p> <p>22 Q. And then you said separate and</p> <p>23 apart from that valuation you applied factors to</p> <p>24 what you valued that appraisers might not apply.</p> <p>25 You gave all specific areas of them and we</p>

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<p style="text-align: right;">Page 281</p> <p>1 Michael Plummer 2 testified at length about them today, or you 3 did, correct? 4 A. Yes. 5 Q. So even though you did an 6 evaluation that had a low range, a mid range and 7 a high range, you didn't apply any of those 8 seven factors to the high range, did you? 9 A. No. 10 Q. So in addition to taking discounts 11 for the seven factors that you say you took into 12 account that maybe an appraisal wouldn't, you 13 were also adding another factor, which is your 14 subjective view that gee, this high rate just 15 doesn't apply here? 16 MR. IRWIN: Form. 17 Q. This high evaluation just shouldn't 18 even be applied here, correct? 19 A. I said in this particular instance 20 I didn't think that it applied. 21 Q. So why -- how did you set the high 22 valuation to begin with? What did you do to set 23 the high valuation to begin with? You looked at 24 comparables, correct? 25 A. Right.</p>	<p style="text-align: right;">Page 283</p> <p>1 Michael Plummer 2 MR. IRWIN: Form. 3 A. The middle estimate is calculated 4 based off of a high estimate. If I were to use 5 the high estimate I would be saying that of the 6 56,000 items, or whatever number it is, they 7 would all be selling for the high estimate. 8 That the average selling price of the entire 9 collection would be selling at the high 10 estimate. 11 What I've done is I've used the mid 12 estimate, because that assumes that you will be 13 getting halfway between the low and the high. 14 So I'm accounting for the high by a mid 15 estimate, that takes into account the high and 16 the low. So the idea that the entire collection 17 would sell for at the high level is to me 18 inconceivable. 19 Q. Let me see if I'm understanding 20 that. You did a high estimate and a low 21 estimate? 22 A. Right. 23 Q. And the mid is just literally the 24 middle range? 25 A. Correct.</p>
<p style="text-align: right;">Page 282</p> <p>1 Michael Plummer 2 Q. You looked at all the market data 3 that was publicly available, correct? 4 A. Right. 5 Q. You looked at the indices that you 6 paid for from some other not publicly available 7 sources, correct? 8 A. Right. 9 Q. You talked to people that you knew 10 within Sotheby's and Christie's and others about 11 sales that others might not even know about, 12 correct? 13 A. Right. 14 Q. And you contacted individuals in 15 the industry that you have contact with on a 16 daily basis because of your position in the 17 industry, and because of your position as an art 18 fair owner and participant that other people 19 don't, correct? 20 A. Right. 21 Q. You took all that information into 22 account in deciding I think a low estimate would 23 be this, I think a high estimate would be this, 24 and I think a middle estimate would be this, 25 correct?</p>	<p style="text-align: right;">Page 284</p> <p>1 Michael Plummer 2 Q. So what you're doing in your 3 analysis, if I'm understanding it now, I may be, 4 is saying look, in calculating what discounts 5 I'm going to take after I do my evaluations, 6 I'll take the mid range valuation because in 7 your mind, having put together the valuations, 8 that's the most likely one. Is that correct to 9 say? 10 A. I'd say it is -- it and the low 11 estimate are likely scenarios. I do not think 12 that the high estimate is the likely scenario 13 because that presupposes that everything would 14 come up a high estimate, or higher. 15 Q. So your charts show the discounts 16 off the low estimates and the discounts off the 17 middle estimates, but they don't show the 18 discounts off the high estimates? 19 A. Correct. 20 Q. So with respect to your ultimate 21 conclusion, you've simply eradicated the high 22 estimate for purposes of coming to your 23 conclusion. 24 You have a conclusion as to the low 25 estimate with discounts and you have a</p>

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<p style="text-align: right;">Page 285</p> <p>1 Michael Plummer</p> <p>2 conclusion as to the mid range with discounts?</p> <p>3 MR. IRWIN: Form.</p> <p>4 A. I don't think that's an accurate</p> <p>5 portrayal because the mid estimate is factored</p> <p>6 by using the high estimate. All I am saying is</p> <p>7 I don't think it is possible to sell everything</p> <p>8 in this collection at an average value of the</p> <p>9 high estimate.</p> <p>10 Q. And you think that it's more likely</p> <p>11 that everything will sell at the low estimate?</p> <p>12 A. I think that it is possible that it</p> <p>13 could sell at the low estimate. Oftentimes</p> <p>14 things sell below the low estimate.</p> <p>15 Q. Wouldn't you agree with me that if</p> <p>16 you took your discounts off the high estimate</p> <p>17 your conclusion would be a higher sale value,</p> <p>18 correct?</p> <p>19 MR. IRWIN: Form.</p> <p>20 A. If I took my conclusions off of the</p> <p>21 high estimate?</p> <p>22 Q. Your discounts?</p> <p>23 A. My discounts, yes, it would be a</p> <p>24 higher valuation.</p> <p>25 Q. And you didn't do that?</p>	<p style="text-align: right;">Page 287</p> <p>1 Michael Plummer</p> <p>2 A. My analysis is based on my business</p> <p>3 practices and the way I conduct my business.</p> <p>4 Q. So when you did your valuations and</p> <p>5 you did your comparables, and you did what all</p> <p>6 that information was and you got information on</p> <p>7 high valued estimates, didn't that take some of</p> <p>8 the market factors into account for those</p> <p>9 estimates?</p> <p>10 A. I don't understand your question.</p> <p>11 Q. So when you do comparables you come</p> <p>12 up with some comparables that are higher and</p> <p>13 some that are lower, correct?</p> <p>14 A. Right.</p> <p>15 Q. That's how you get the high</p> <p>16 estimates and the low estimates, correct?</p> <p>17 A. Right.</p> <p>18 Q. That takes into account market data</p> <p>19 and market information, right?</p> <p>20 A. Right.</p> <p>21 Q. So there must be some market data</p> <p>22 that supports your high estimate, correct?</p> <p>23 A. I'm not arguing that a high</p> <p>24 estimate for a work is wrong. I'm arguing that</p> <p>25 making an assumption that the entirety of the</p>
<p style="text-align: right;">Page 286</p> <p>1 Michael Plummer</p> <p>2 A. I did not do that.</p> <p>3 Q. You didn't want to do that?</p> <p>4 MR. IRWIN: Form.</p> <p>5 MR. O'REILLY: Form.</p> <p>6 A. I didn't think it was relevant to</p> <p>7 do so.</p> <p>8 Q. But it was relevant to value them,</p> <p>9 as you suggested in your expert report you</p> <p>10 valued them, correct?</p> <p>11 It was relevant to get all that</p> <p>12 information that we just went through, correct?</p> <p>13 A. Correct.</p> <p>14 Q. Based on all of that information</p> <p>15 that was relevant to you, you do have a high</p> <p>16 range, correct?</p> <p>17 A. I do have a high range, yes. I</p> <p>18 would also add that in the art industry, it is</p> <p>19 generally common practice to base most decisions</p> <p>20 off of low estimates; not mid or not high, but</p> <p>21 low.</p> <p>22 Q. What you're doing here is simply</p> <p>23 basing your analysis on the mid and low.</p> <p>24 There's no business decision here, it's just</p> <p>25 your analysis, correct?</p>	<p style="text-align: right;">Page 288</p> <p>1 Michael Plummer</p> <p>2 collection would sell at the high estimate is</p> <p>3 not a solid premise for doing this analysis.</p> <p>4 Q. You don't have to do that to show</p> <p>5 the actual discounts off the high estimate. You</p> <p>6 can just have them there, then you can come to</p> <p>7 whatever conclusion you think is appropriate to</p> <p>8 apply to that.</p> <p>9 You could, in fact, have submitted</p> <p>10 a report to the Court that allowed the Court to</p> <p>11 say I see what the discounts are on the high</p> <p>12 estimate, I see what the discounts are on the</p> <p>13 mid-estimate, and I see what the discounts are</p> <p>14 on the low estimate. I'll say let's assume that</p> <p>15 only half of it sells for the high and only half</p> <p>16 of it sells for the low.</p> <p>17 But you didn't do that in your</p> <p>18 report. You didn't give the estimates for the</p> <p>19 high one, did you?</p> <p>20 MR. O'REILLY: Form.</p> <p>21 A. No, I do not.</p> <p>22 Q. So your calculation makes several</p> <p>23 conclusions, doesn't it? Let's look back on</p> <p>24 page 31.</p> <p>25 First of all, on page 31, paragraph</p>

72 (Pages 285 to 288)

1 Michael Plummer
 2 49 C, right, you assume that it would take 18
 3 months to two years to adequately catalog the
 4 collection in the first place, correct?
 5 A. Yes.
 6 Q. What's the basis of that
 7 assumption?
 8 A. Based on the preparations that went
 9 into Albright-Knox and other sales. That you
 10 have such a quantity of property that in order
 11 to do the proper amount of research on its
 12 salability, and how you want to sell it and plan
 13 for the sale of it, plan for the marketing of
 14 it, all of that would take an extended period of
 15 time.
 16 Q. Are you aware of the fact that the
 17 DIA has had on other occasions other people look
 18 at its collection, that may indeed have done
 19 some of the cataloguing that you're talking
 20 about here?
 21 A. I know they've done the
 22 cataloguing, that's not the same as the
 23 cataloguing for sale. The cataloguing that's
 24 already done would be used, but whoever was
 25 selling it would want to evaluate it from the

1 Michael Plummer
 2 lens of selling it, and look for various
 3 information that may not be included in the
 4 museum cataloguing.
 5 Q. So is it your --
 6 A. And additional scholarship.
 7 Q. Sorry, I didn't mean to interrupt.
 8 A. No, just an additional scholarship.
 9 Q. So is it your assumption then that
 10 the DIA has not done prior cataloging for sale?
 11 A. They haven't done sale cataloging
 12 which is different.
 13 Q. That's your assumption, correct?
 14 A. No, it's my -- I've seen some of
 15 their cataloguing and I don't think it's the
 16 same as cataloguing it for sale.
 17 Q. Did you speak to anyone at the DIA
 18 about whether or not they had done other
 19 cataloguing for sale prior to this?
 20 A. No, I have not talked to them about
 21 that.
 22 Q. So you don't know that for a fact,
 23 you are assuming that?
 24 MR. IRWIN: Form.
 25 A. I am assuming that, and I actually

1 Michael Plummer
 2 say that it was an assumption.
 3 Q. That assumption is based on, again,
 4 your review of whatever materials you had,
 5 correct?
 6 A. Correct.
 7 Q. Because you haven't spoken to
 8 anyone at the DIA, correct?
 9 A. Correct.
 10 Q. Your next one is you assume that
 11 the sales would take place through a public
 12 rather than private auction?
 13 A. Correct.
 14 Q. What's the basis of that
 15 assumption?
 16 A. As I outlined elsewhere in the
 17 report that most legal, court related, other
 18 transactions or transparencies required are more
 19 often than not done by auction, because if you
 20 sell things privately there is a degree of
 21 confidentiality involved that can allow for a
 22 conflict of interest or a lack of transparency
 23 on value.
 24 If you sell something privately
 25 your client is buying it privately because they

1 Michael Plummer
 2 don't want the price disclosed. It's hard for
 3 me to imagine that you could sell works from the
 4 DIA privately, without disclosing the prices,
 5 how that could be accomplished with City-owned
 6 property.
 7 Q. You assume an annual expense of 6
 8 million related to the storing and the
 9 administering of the art collection, correct?
 10 A. Yes.
 11 Q. What's the basis of that
 12 assumption?
 13 A. That's my assumption based on the
 14 size of the museum, the size of the collection,
 15 insurance costs, heat, humidity control, all of
 16 that; and it decreases over time as the
 17 collection is sold off.
 18 Q. Did you speak with anybody who's
 19 currently involved in the storing and
 20 administering of the art collection as to what
 21 it's costing them to do it now?
 22 A. I did not, no.
 23 Q. Did you look at the publicly
 24 available information on what those storage
 25 costs are now?

<p style="text-align: right;">Page 293</p> <p>1 Michael Plummer</p> <p>2 A. I did not.</p> <p>3 Q. You assume a discount rate of</p> <p>4 12 percent based on the volatility of the</p> <p>5 market, correct?</p> <p>6 A. Correct.</p> <p>7 Q. What's the basis of that</p> <p>8 assumption?</p> <p>9 A. Going back to the art investment</p> <p>10 topic and the art investment funds, generally</p> <p>11 the 12 percent or higher number is expected by</p> <p>12 investors in the art market to compensate for</p> <p>13 the volatility of the market.</p> <p>14 Q. You reviewed the Barth report</p> <p>15 previously, correct?</p> <p>16 A. Yes.</p> <p>17 Q. Did you dispute what she suggests</p> <p>18 the closer percentage rate would be here for the</p> <p>19 discount rate based on the volatility?</p> <p>20 A. I completely dispute it. I don't</p> <p>21 think she has sufficient experience to weigh in</p> <p>22 on that matter.</p> <p>23 Q. Turn back to page 36 of your</p> <p>24 report.</p> <p>25 A. Okay. I would like to take a quick</p>	<p style="text-align: right;">Page 295</p> <p>1 Michael Plummer</p> <p>2 Q. On page 31, which contains your</p> <p>3 present value calculation, if you go back to</p> <p>4 that and take a look at it.</p> <p>5 I don't see where it includes -- I</p> <p>6 don't see where your present value calculation</p> <p>7 mentions the unsold rates. I'm trying to figure</p> <p>8 out what unsold rates apply?</p> <p>9 MR. IRWIN: Form.</p> <p>10 MR. O'REILLY: Objection to the</p> <p>11 form.</p> <p>12 A. I'm confused with what you're</p> <p>13 asking me.</p> <p>14 Q. I'll start again. The footnote</p> <p>15 says, "Unsold rates are included in the present</p> <p>16 value calculation"?</p> <p>17 A. Right.</p> <p>18 Q. Turn to page 31. I'm trying to</p> <p>19 understand it.</p> <p>20 A. Okay. Page 31.</p> <p>21 Q. It contains your present value</p> <p>22 calculation, correct?</p> <p>23 A. Right.</p> <p>24 MR. IRWIN: At page 31,</p> <p>25 assumptions.</p>
<p style="text-align: right;">Page 294</p> <p>1 Michael Plummer</p> <p>2 break.</p> <p>3 MR. SOTO: Sure.</p> <p>4 THE VIDEOGRAPHER: The time is</p> <p>5 5:01 p.m., and we're going off the record.</p> <p>6 (Short break taken)</p> <p>7 THE VIDEOGRAPHER: This begins</p> <p>8 media unit number 5, the time is 5:09 p.m., and</p> <p>9 we're back on the record.</p> <p>10 BY MR. SOTO:</p> <p>11 A. In your one of your last lines of</p> <p>12 questioning I had forgotten and misspoke. The</p> <p>13 \$6 million number was a number that I had gotten</p> <p>14 from Rich that was done at the DIA, the cost of</p> <p>15 holding the collection and storing it.</p> <p>16 Q. So \$6 million was indeed something</p> <p>17 that the DIA has estimated that would cost?</p> <p>18 A. Yes. I made a mistake.</p> <p>19 Q. That's perfectly appropriate to</p> <p>20 correct. I think we were going to page 36. Do</p> <p>21 you see that, Footnote 1?</p> <p>22 A. Um-hum.</p> <p>23 Q. It says, "Unsold rates included in</p> <p>24 present value calculation"?</p> <p>25 A. Um-hum.</p>	<p style="text-align: right;">Page 296</p> <p>1 Michael Plummer</p> <p>2 A. 49 C?</p> <p>3 Q. No, I'm beyond the assumptions.</p> <p>4 Maybe I'm using the wrong page.</p> <p>5 A. If you're looking for the present</p> <p>6 value charts they're in the back. It's 70 or</p> <p>7 71.</p> <p>8 Q. 70 is the one you used before and</p> <p>9 you have present value. It should be 71 I think</p> <p>10 for this one. So again, it's Table 9, page 71</p> <p>11 of 72. I see a present value of 1 million?</p> <p>12 A. 366?</p> <p>13 Q. Yes.</p> <p>14 A. And 850.</p> <p>15 Q. At the bottom. So where is the --</p> <p>16 I guess it's the?</p> <p>17 A. The unsold rate is the deduction</p> <p>18 144, 144, 144 and then the add-back is 115,740,</p> <p>19 115,740, so they're two different rows.</p> <p>20 Q. I see. So the deductions are the</p> <p>21 ones over here on the right, 7, 8, 9 and 10?</p> <p>22 A. Right.</p> <p>23 Q. And then the add-back is 010?</p> <p>24 A. Right.</p> <p>25 Q. So that explains that. Thank you.</p>

74 (Pages 293 to 296)

1 Michael Plummer
 2 Going back to your assumptions on page 31.
 3 Your calculations assume a discount
 4 rate of 20 percent for not selling through
 5 Christie's and Sotheby's, correct?
 6 A. Um-hum.
 7 Q. You testified about that earlier,
 8 correct?
 9 A. Um-hum.
 10 Q. Then your calculations also assume
 11 a discount rate of 50 percent for the market
 12 disfavor of the American sector, correct?
 13 MR. IRWIN: Are we supposed to be
 14 following somewhere in the document?
 15 MR. SOTO: Well yes, I was going
 16 through the assumptions that start on page 31,
 17 then I added to that the other assumptions that
 18 he testified about earlier.
 19 MR. IRWIN: The impression was that
 20 we were following along on the page and it's not
 21 tracking.
 22 MR. SOTO: I'm sorry. Let me start
 23 again.
 24 Q. So in addition to the assumptions
 25 that you list here in your chart, which is C:

1 Michael Plummer
 2 "I use the following assumptions in
 3 calculating present value discount." You used
 4 those, correct?
 5 A. Um-hum.
 6 Q. Beyond those present value discount
 7 assumptions you also apply other discounts,
 8 correct?
 9 One that you testified about at
 10 length was the fact that look, there's a
 11 disfavor for the American sector, correct?
 12 A. I do not apply that in the present
 13 value scenario.
 14 Q. You just applied that in general?
 15 A. No. I applied that only in
 16 scenario B, which is sort of just a straight
 17 illustrative, illustration of application of
 18 things; but I do not apply that in scenario C or
 19 D.
 20 Q. In determining the present value
 21 you did not apply the other discounts?
 22 A. No.
 23 Q. So you did not apply the discount
 24 for the Sotheby's or Christie's --
 25 A. No.

1 Michael Plummer
 2 Q. You did not apply the discount for
 3 the American sector disfavor?
 4 A. Correct.
 5 Q. You did not apply the discount for
 6 the market crash?
 7 A. Correct.
 8 Q. Are you familiar with what has been
 9 referred to as the grand bargain?
 10 A. Yes.
 11 Q. Are you aware that the DIA has
 12 pledged a \$100 million contribution to the
 13 museum?
 14 A. Yes.
 15 Q. Maybe I should say the DIA Corp.
 16 has pledged a \$100 million contribution to the
 17 museum?
 18 A. Yes.
 19 Q. Would you agree that your
 20 valuation, without applying any discount
 21 factors, far exceeds the 100 million
 22 contribution?
 23 MR. IRWIN: Form.
 24 A. I don't know. I am not following
 25 your logic, nor do I understand what you're

1 Michael Plummer
 2 asking.
 3 Q. The valuation you have, if you
 4 don't apply your discounts to it; the valuation
 5 you have of the art exceeds the \$100 million
 6 contribution that's being pledged by the DIA
 7 Corp., correct?
 8 A. Yes.
 9 Q. Would you agree that even in the
 10 worst-case scenario that you present, the value
 11 of the DIA collection far exceeds the \$100
 12 million pledged by the DIA Corp.?
 13 MR. O'REILLY: Form.
 14 A. Yes.
 15 Q. Let's look at pages 39 and 40 of
 16 your report. On pages 39 and 40 you critique
 17 the bids that were received by Houlihan for the
 18 collection, correct?
 19 A. Correct.
 20 Q. What's the basis for your critique?
 21 MR. O'REILLY: Form.
 22 A. Looking at the -- what was in the
 23 Houlihan Lokey materials in terms of what was on
 24 offer.
 25 Q. I might have asked you this about

1 Michael Plummer
2 some of them, but let me ask you about all. Did
3 you contact any of the proposed bidders that
4 were included in the Houlihan report?

5 A. No, I did not.

6 Q. Let's turn to your critique of
7 Christie's recommendations that are on page 42.
8 Do you see that?

9 A. Um-hum.

10 Q. You say that Christie's was, by the
11 time they completed this section of their
12 report, dis-incentivized to develop this line of
13 argument fully, possibly due to market backlash
14 from the DIA and other market participants. Do
15 you see that?

16 A. Um-hum.

17 Q. What's the basis for that
18 statement?

19 A. As I said, the comment by someone
20 at Christie's who was off the record.

21 Q. That's it?

22 A. Well, and also my own reading of
23 those proposals and how flimsy they were and
24 un-flushed out, as I say here. They didn't
25 really seem like they were given anything other

1 Michael Plummer
2 than a passing thought. There were no expenses,
3 no revenues, no timelines; it was just really a
4 cursory examination.

5 Q. Did you speak with the person who
6 put that analysis together at Christie's to
7 discuss --

8 A. I did not.

9 MR. IRWIN: Let him finish.

10 Q. -- to discuss with that person what
11 he was intending to do with these potential
12 alternatives?

13 A. I did not.

14 Q. Have you since you read their
15 report?

16 A. I have not.

17 Q. On page 42, paragraph 69, you state
18 further that Christie's "no longer has in-house
19 intellectual capital to conduct their
20 monetization analysis." Do you see that?

21 A. Um-hum.

22 Q. What's the basis of that statement?

23 A. I was an in-house at Intellectual
24 Capital and I am no longer with the firm, and my
25 business partner Jeff as well.

1 Michael Plummer
2 Q. So it's your position that in its
3 current iteration, Christie's does not have the
4 capability to do this analysis?

5 A. Yes.

6 Q. Did you talk to anybody at
7 Christie's about that opinion?

8 MR. O'REILLY: Form.

9 A. Let's just say I am aware of their
10 searches for staff and whatnot and know that
11 they are -- they do not have that capital,
12 intellectual capital.

13 Q. Would you be surprised to find out
14 that they disagree with that statement?

15 A. No, I'm not surprised at all.

16 Q. You mentioned that Christie's
17 Financial Services Group was terminated in 2009,
18 correct?

19 A. Correct.

20 Q. And that's who you worked for,
21 correct?

22 A. Correct.

23 Q. Is there no one else at Christie's
24 capable of conducting an assessment of
25 monetization alternatives for a museum, in your

1 Michael Plummer
2 opinion?

3 A. I don't think that -- if there is,
4 they certainly didn't do it in this exercise.

5 Q. So in terms of the alternative to
6 monetization schemes that you referred to, your
7 evaluation assumes they will be sold, correct?

8 A. I'm sorry, can you ask that again,
9 please?

10 Q. Your evaluation and all of your
11 values and your charts assume the art is going
12 to be sold, correct?

13 MR. IRWIN: Form.

14 A. I am not sure. I can't answer that
15 question in that way that you asked it because
16 what I do is value the collection if it were to
17 be sold. I'm not assuming that it's being sold.

18 Q. Let me ask it differently then.
19 Your valuations are based on a proposed sale of
20 the art, correct?

21 A. These are results that would be the
22 result of a sale, but I'm not assuming it will
23 be sold.

24 Q. But they're based on a proposed
25 sale, correct?

<p style="text-align: right;">Page 305</p> <p>1 Michael Plummer</p> <p>2 A. Correct.</p> <p>3 Q. Did you consider, aside from</p> <p>4 critiquing Christie's alternatives to a sale;</p> <p>5 did you consider alternatives to a sale ways to</p> <p>6 monetize the art collection at the DIA, other</p> <p>7 than a sale?</p> <p>8 A. I did not.</p> <p>9 Q. Have you or Artvest ever</p> <p>10 participated in the collateralization of</p> <p>11 artworks?</p> <p>12 A. What do you mean by that?</p> <p>13 Q. You talked about being involved in</p> <p>14 loans before, art loans you called them?</p> <p>15 A. Right.</p> <p>16 Q. To me that means the art is being</p> <p>17 used as collateral for a loan, correct?</p> <p>18 A. Correct.</p> <p>19 Q. So have you or Artvest ever</p> <p>20 participated in the collateralization of any</p> <p>21 artwork in any form, whether it's in a loan or</p> <p>22 some other way?</p> <p>23 A. Are you asking me if I played a</p> <p>24 role in art being used as collateral in a loan?</p> <p>25 Q. Yes.</p>	<p style="text-align: right;">Page 307</p> <p>1 Michael Plummer</p> <p>2 Q. Is it your testimony that based on</p> <p>3 those valuations, you think the most they could</p> <p>4 get is 50 percent of those valuations because</p> <p>5 it's a loan?</p> <p>6 MR. O'REILLY: Objection to the</p> <p>7 form.</p> <p>8 A. Under standard lending practices</p> <p>9 they would only be able to get 50 percent.</p> <p>10 According to the offer from Art Capital Group</p> <p>11 he's offering 20 percent, which is a really low</p> <p>12 number in our practices.</p> <p>13 Whenever a loan is discussed the</p> <p>14 issue that I keep coming back to is who is going</p> <p>15 to service the debt, which is substantial, and</p> <p>16 who's going to pay off the loan, because I'm</p> <p>17 working through a bankruptcy situation right now</p> <p>18 with a client, if the loan isn't paid off the</p> <p>19 lender gets to sell the art.</p> <p>20 So, in effect, if you have a loan</p> <p>21 for let's say half of the value of the</p> <p>22 collection and you can't pay that back,</p> <p>23 basically you have sold that collection to the</p> <p>24 lender for half of the value of its worth.</p> <p>25 Q. Let me see if I'm understanding</p>
<p style="text-align: right;">Page 306</p> <p>1 Michael Plummer</p> <p>2 A. Yes, many times.</p> <p>3 Q. You've testified about -- you</p> <p>4 guesstimated at a number, but you testified</p> <p>5 about your work with art lenders during your</p> <p>6 testimony today, correct?</p> <p>7 MR. O'REILLY: Form.</p> <p>8 Q. Correct?</p> <p>9 A. Correct.</p> <p>10 Q. How much would you advise the City</p> <p>11 of Detroit it could get as a loan using the</p> <p>12 DIA's entire collection as collateral?</p> <p>13 A. Well, I think that presupposes I</p> <p>14 would advise them to do that.</p> <p>15 Q. No, it doesn't, I'm just asking you</p> <p>16 the question. Assuming there was going to be a</p> <p>17 loan, how much would you advise the City of</p> <p>18 Detroit it could get as a loan if it used the</p> <p>19 DIA's collection as collateral?</p> <p>20 A. I can't answer that without knowing</p> <p>21 where the funds would come from and how they</p> <p>22 would be paid back.</p> <p>23 Q. You have the valuations that you</p> <p>24 went through, correct?</p> <p>25 A. I understand that.</p>	<p style="text-align: right;">Page 308</p> <p>1 Michael Plummer</p> <p>2 your testimony here. So what you're saying then</p> <p>3 is if you were going to take a loan against the</p> <p>4 art of the DIA, it's your view that you would</p> <p>5 probably be limited to 50 percent of the</p> <p>6 valuations that you gave, correct?</p> <p>7 MR. IRWIN: Asked and answered.</p> <p>8 Q. That's one of the parts of the</p> <p>9 answer, correct?</p> <p>10 A. Correct.</p> <p>11 Q. The other part of the answer is you</p> <p>12 would have to be able to put together some sort</p> <p>13 of a plan to pay for the cost of that loan,</p> <p>14 correct?</p> <p>15 A. Correct.</p> <p>16 Q. Both the interest on the loan and</p> <p>17 ultimately to pay the loan back, correct?</p> <p>18 A. Correct.</p> <p>19 Q. So, in essence, if there were a</p> <p>20 Plan of Adjustment that were put together for</p> <p>21 the City of Detroit in connection with a Chapter</p> <p>22 9 proceeding, that indeed took into account</p> <p>23 whatever the cost of the loan would be, and the</p> <p>24 repayment of the loan over whatever is the</p> <p>25 appropriate period of time negotiated by the</p>

77 (Pages 305 to 308)

<p style="text-align: right;">Page 309</p> <p>1 Michael Plummer</p> <p>2 parties, you would expect that they could then</p> <p>3 possibly get a loan for 50 percent of the value</p> <p>4 of the art as you've valued it, correct?</p> <p>5 MR. IRWIN: Form.</p> <p>6 A. Yeah, if they have a strategy that</p> <p>7 accomplishes all of those things.</p> <p>8 Q. Give me a second because I think</p> <p>9 you've answered a lot of this. This is</p> <p>10 something that I don't know that you testified</p> <p>11 about but I'm not understanding, maybe you have.</p> <p>12 On page 43, paragraph 71 G?</p> <p>13 A. 70 G.</p> <p>14 Q. Oh, yeah, sorry. It says, it seems</p> <p>15 to say:</p> <p>16 "Most asset-backed lenders have</p> <p>17 extreme provisions for the lender in a situation</p> <p>18 of default, levying both higher interest rates</p> <p>19 and onerous "agency" fees to liquidate the</p> <p>20 property."</p> <p>21 So here all you're saying is look,</p> <p>22 if there were a default, the typical asset-based</p> <p>23 lender or art lender has these kinds of</p> <p>24 provisions; that's all you're saying?</p> <p>25 A. Well, yes; but I perhaps could have</p>	<p style="text-align: right;">Page 311</p> <p>1 Michael Plummer</p> <p>2 how long it would take, where the money would</p> <p>3 come from. The fact that most other</p> <p>4 institutions having already very aggressive and</p> <p>5 ambitious development plans which are outlined</p> <p>6 below.</p> <p>7 It was my opinion that this was an</p> <p>8 idea that was not substantiated in any way,</p> <p>9 shape or form and that also would take an</p> <p>10 enormous amount of time to implement, and it</p> <p>11 wasn't discussed how it could be done in an</p> <p>12 expeditious way.</p> <p>13 Q. But you recognize that there are</p> <p>14 many very young museums that have just been</p> <p>15 created throughout the country, correct?</p> <p>16 A. Yes, but that doesn't mean they're</p> <p>17 funded well enough to come up with the kinds of</p> <p>18 moneys that you're talking about.</p> <p>19 Q. And also throughout the world, I</p> <p>20 don't know why I limit it to the country --</p> <p>21 we've board them, that's all right, I'm still</p> <p>22 interested.</p> <p>23 A. There are. But again, I think it's</p> <p>24 an idea that is not flushed out well enough to</p> <p>25 be taken seriously.</p>
<p style="text-align: right;">Page 310</p> <p>1 Michael Plummer</p> <p>2 gone on to say more, which is that oftentimes</p> <p>3 those default terms are vaguely written and</p> <p>4 clients end up in default unknowingly or</p> <p>5 unwillingly.</p> <p>6 Q. If there is going to be some kind</p> <p>7 of a monetization of the art, like through a</p> <p>8 loan or something like that, you should get</p> <p>9 lawyers like the ones you have here for the DIA</p> <p>10 to help them make sure that that doesn't happen,</p> <p>11 correct?</p> <p>12 A. Or ones like you.</p> <p>13 Q. Have you or anyone else at Artvest</p> <p>14 ever participated in the creation of a</p> <p>15 masterpiece trust?</p> <p>16 A. No, I haven't.</p> <p>17 Q. On page 45 of your report you say</p> <p>18 the creation of a Masterpiece Trust to be</p> <p>19 accessed by members of a museum consortium is</p> <p>20 too blue-sky.</p> <p>21 Am I reading that right? It says</p> <p>22 too blue-sky to be substantively helpful?</p> <p>23 A. Yes.</p> <p>24 Q. What is the basis of that opinion?</p> <p>25 A. Well, because they did not describe</p>	<p style="text-align: right;">Page 312</p> <p>1 Michael Plummer</p> <p>2 Q. Are you aware of any meaningful</p> <p>3 masterpiece trusts that have been put in place</p> <p>4 by other museums?</p> <p>5 A. I am not. That doesn't mean they</p> <p>6 may not exist, but I am not.</p> <p>7 Q. Did you do any studies to determine</p> <p>8 whether there were any other masterpiece trusts</p> <p>9 being used by museums in the world to monetize</p> <p>10 their art?</p> <p>11 A. I did not.</p> <p>12 Q. Have you or Artvest ever</p> <p>13 participated in structuring long-term leases of</p> <p>14 artwork?</p> <p>15 A. No.</p> <p>16 Q. What experience do you or Artvest</p> <p>17 have in connection with structuring long-term</p> <p>18 leases of artwork at all?</p> <p>19 A. We haven't, that's not in our line</p> <p>20 of business.</p> <p>21 Q. On page 44, paragraph 71, you</p> <p>22 state:</p> <p>23 "This option would have the same</p> <p>24 effect of depriving the DIA of some of its most</p> <p>25 prized works, yet for far less of a financial</p>

78 (Pages 309 to 312)

<p style="text-align: right;">Page 313</p> <p>1 Michael Plummer 2 benefit. Based on deals made with other partner 3 museums, Guggenheim Museum & Bilbao, Guggenheim 4 & Abu Dhabi and the Louvre & Abu Dhabi, such an 5 arrangement would be unlikely to net more than 6 20 million to 100 million in total for a 10 to 7 15 year deal and would result in the removal of 8 many high value works from the walls of the 9 DIA." 10 Do you see that? 11 A. Yes. 12 Q. What is the basis of that opinion? 13 A. The situations I lay out below, A 14 through E. 15 Q. Other than what you lay out in A 16 through E, is there anything else that you base 17 that opinion on? 18 A. F through G. 19 Q. Okay. Other than A through G, is 20 there anything else? 21 A. No. 22 Q. So I read A through G, and I'm 23 wondering where did the calculations come from 24 that you used to come up with the numbers that 25 you have here, were they in some public</p>	<p style="text-align: right;">Page 315</p> <p>1 Michael Plummer 2 institution." 3 A. Did I prepare any? 4 Q. Did you do any analysis to support 5 that conclusion? 6 A. I did not. 7 Q. Did you speak to any donors -- 8 A. Let me correct that. You threw me 9 off with the question. As I said, I did talk to 10 several museum people, which I cannot divulge 11 because they were off-the-record conversations. 12 Q. Did you speak to any donors 13 regarding their interest in a sale and permanent 14 loan program? 15 A. I did not speak to any donors, but 16 I did speak to an expert on donors who was 17 responsible for many of the major gifts at 18 various museums and has a tremendous insight 19 into donor mentality. 20 Q. Who was that? 21 A. Again, it was an off-the-record 22 conversation. 23 Q. So other than the off-the-record 24 conversation that you're referring to, did you 25 do any additional analysis?</p>
<p style="text-align: right;">Page 314</p> <p>1 Michael Plummer 2 documents? 3 A. They were in the documents 4 referenced here. They're in several of the 5 press reports. 6 Q. So other than what you sent us and 7 what you referenced, the press reports, that's 8 what you relied on? 9 A. That's what I relied upon. 10 Q. Have you or Artvest ever 11 participated in the sale and permanent loan of 12 artwork? 13 A. That's a confusing question. The 14 sale and permanent loan, are you meaning to 15 combine both as to one question? 16 Q. I think what I'm referring to here 17 on page 46, Christie's recommendation 4? 18 A. Yes. I see what you're asking. 19 No, we have not. I have not. 20 Q. Did you conduct any analysis before 21 you arrived at the conclusion that you state in 22 paragraph 75? And I'm reading it: 23 "It is hard to imagine how this 24 type of program would attract a new type of 25 donor who is not already supporting the</p>	<p style="text-align: right;">Page 316</p> <p>1 Michael Plummer 2 A. No, I did not. 3 Q. Have you or Artvest ever 4 participated in coordinating, and you may have 5 because you worked with the fair, in 6 coordinating a traveling exhibition? 7 A. In coordinating a traveling 8 exhibition? 9 Q. Yes. 10 A. No, we have not. 11 Q. On page 46 of paragraph 76. You 12 state: 13 "By Christie's own admission, this 14 a less than desirable alternative, as such 15 expositions are "costly to mount" and raise very 16 little relative to their total expense." Do you 17 see that? 18 A. Yes. 19 Q. And it goes on to state "Such 20 revenues range from as little as 20,000 for 21 small exhibitions to 600,000 for blockbuster 22 exhibitions." 23 What is the basis of that 24 statement? 25 A. The museum administrative officials</p>

79 (Pages 313 to 316)

<p style="text-align: right;">Page 317</p> <p>1 Michael Plummer</p> <p>2 that I referred to previously have handled the</p> <p>3 budgets for such exhibits.</p> <p>4 Q. Is that someone that you can't</p> <p>5 divulge at this point?</p> <p>6 A. It's in that same group of people I</p> <p>7 mentioned before.</p> <p>8 Q. So you state that you have -- other</p> <p>9 than that statement, you've had no experience</p> <p>10 with any of these traveling, whatever they call</p> <p>11 it, traveling exhibitions, correct?</p> <p>12 A. Back in my Acoustiguide days I</p> <p>13 actually was dealing with the financial -- I was</p> <p>14 working with the museums and their setting up of</p> <p>15 those exhibitions, and their profits that they</p> <p>16 expected to get from their audio tours and other</p> <p>17 things, and their attendance numbers based on</p> <p>18 the exhibition and that sort of thing. So I did</p> <p>19 have experience back in that part of my career.</p> <p>20 Q. That would have been a long time</p> <p>21 ago, correct?</p> <p>22 A. That would have been a long time</p> <p>23 ago.</p> <p>24 Q. Counting for inflation and other</p> <p>25 expenses, you're not aware of what they cost</p>	<p style="text-align: right;">Page 319</p> <p>1 Michael Plummer</p> <p>2 million the DIA has already committed as its</p> <p>3 contribution to the grand bargain." Do you see</p> <p>4 that?</p> <p>5 A. Um-hum.</p> <p>6 Q. What's the basis for that</p> <p>7 statement?</p> <p>8 A. What I've laid out in the report</p> <p>9 thus far.</p> <p>10 Q. Other than what you've testified</p> <p>11 about today and what you've laid out in your</p> <p>12 report; is there any other source or information</p> <p>13 you're relying on for that opinion?</p> <p>14 A. I have nothing supplemental to</p> <p>15 provide here today.</p> <p>16 Q. Other than what you've testified</p> <p>17 about today and what you referred to in your</p> <p>18 report, you haven't done any additional</p> <p>19 analysis?</p> <p>20 A. Not other than what is here and</p> <p>21 I've testified to.</p> <p>22 Q. Were you asked to render an opinion</p> <p>23 regarding the cultural impact of the museum, the</p> <p>24 DIA, on the City of Detroit?</p> <p>25 A. No.</p>
<p style="text-align: right;">Page 318</p> <p>1 Michael Plummer</p> <p>2 now, are you?</p> <p>3 A. Yes, I am, because these numbers</p> <p>4 came from talking to museum people this year,</p> <p>5 just recently.</p> <p>6 Q. Is there any either publicly</p> <p>7 available or privately available study or data</p> <p>8 that you can refer to for the basis of your</p> <p>9 calculation?</p> <p>10 A. No.</p> <p>11 Q. Other than the conversation you</p> <p>12 had, correct?</p> <p>13 A. Correct.</p> <p>14 Q. Do you know what that person was</p> <p>15 basing it on?</p> <p>16 A. They were basing it on their own</p> <p>17 in-house experience of exhibitions.</p> <p>18 Q. So on page 48 of your report.</p> <p>19 Looking at paragraph C:</p> <p>20 "My review of the practicality and</p> <p>21 the reasonableness of the monetization</p> <p>22 alternatives described in Christie's preliminary</p> <p>23 report to the City of Detroit: They do not have</p> <p>24 a reasonable expectation of either raising</p> <p>25 meaningful money or exceeding even the \$100</p>	<p style="text-align: right;">Page 320</p> <p>1 Michael Plummer</p> <p>2 Q. Looking at page 48, paragraph 78.</p> <p>3 It says as I'm reading it:</p> <p>4 "Rather than being a source of cash</p> <p>5 to creditors or a burden on the current city, in</p> <p>6 fact, the DIA is the single, most important</p> <p>7 cultural asset the City currently owns for</p> <p>8 rebuilding the vitality of the City." Do you</p> <p>9 see that?</p> <p>10 A. I do.</p> <p>11 Q. Did you write that statement?</p> <p>12 A. I did.</p> <p>13 Q. What is the basis of that</p> <p>14 statement?</p> <p>15 A. My opinion.</p> <p>16 Q. Your personal opinion?</p> <p>17 A. My personal opinion based on my</p> <p>18 years of experience in the art industry.</p> <p>19 Q. That opinion isn't dealing with</p> <p>20 anything to do with the art industry, it's</p> <p>21 dealing with the cultural impact of the museum</p> <p>22 on the City of Detroit, correct?</p> <p>23 A. It's dealing with the DIA as an art</p> <p>24 institution and the impact of art institutions</p> <p>25 in the city.</p>

80 (Pages 317 to 320)

<p style="text-align: right;">Page 321</p> <p>1 Michael Plummer</p> <p>2 Q. What experience do you have in</p> <p>3 valuing cultural assets like the statement you</p> <p>4 made there?</p> <p>5 A. I don't have experience.</p> <p>6 MR. SOTO: I don't have any other</p> <p>7 questions. I thank you very much Mr. Plummer</p> <p>8 for your patience with me. Any other questions</p> <p>9 from anyone?</p> <p>10 MR. O'REILLY: No questions.</p> <p>11 MR. SOTO: Anyone on the phone? In</p> <p>12 which case this concludes our deposition. You</p> <p>13 have a right to review the testimony, and in</p> <p>14 reviewing it you can certainly fix grammatical</p> <p>15 errors, things that you see as misspellings or</p> <p>16 things like that, things that you think might</p> <p>17 have been taken down wrong.</p> <p>18 You don't get to substantively</p> <p>19 change your testimony, unless of course you say</p> <p>20 no I meant not, and there's no not in there,</p> <p>21 then that's a different issue. So you'll get a</p> <p>22 chance to do that and you can coordinate that</p> <p>23 with your counsel.</p> <p>24 THE WITNESS: Okay.</p> <p>25 THE VIDEOGRAPHER: The time is 5:45</p>	<p style="text-align: right;">Page 323</p> <p>1 ERRATA</p> <p>2 I, MICHAEL PLUMMER, wish to make the</p> <p>3 following changes, for the following reasons:</p> <p>4 PAGE LINE</p> <p>5 _____ CHANGE: _____</p> <p>6 REASON: _____</p> <p>7 _____ CHANGE: _____</p> <p>8 REASON: _____</p> <p>9 _____ CHANGE: _____</p> <p>10 REASON: _____</p> <p>11 _____ CHANGE: _____</p> <p>12 REASON: _____</p> <p>13 _____ CHANGE: _____</p> <p>14 REASON: _____</p> <p>15 _____ CHANGE: _____</p> <p>16 REASON: _____</p> <p>17 _____ CHANGE: _____</p> <p>18 REASON: _____</p> <p>19 _____</p> <p>20 _____</p> <p>21 WITNESS' SIGNATURE DATE</p> <p>22 _____</p> <p>23 _____</p> <p>24 _____</p> <p>25 _____</p>
<p style="text-align: right;">Page 322</p> <p>1 Michael Plummer</p> <p>2 p.m. August 1, 2014, this completes today's</p> <p>3 video deposition of Michael Plummer.</p> <p>4 (Time Noted: 5:45 p.m.)</p> <p>5</p> <p>6 -----</p> <p>7 MICHAEL PLUMMER</p> <p>8</p> <p>9 Subscribed and sworn to before me</p> <p>10 this day of , 2014.</p> <p>11</p> <p>12 -----</p> <p>13 Notary Public</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 324</p> <p>1 C E R T I F I C A T E</p> <p>2</p> <p>3 I, Roberta Caiola, a Shorthand</p> <p>4 Reporter and Notary Public within and</p> <p>5 for the State of New York, do hereby</p> <p>6 certify:</p> <p>7</p> <p>8 That the statements, colloquy</p> <p>9 and testimony contained herein is a</p> <p>10 true record of the proceedings in this</p> <p>11 matter.</p> <p>12</p> <p>13 I further certify that I am</p> <p>14 not related to any of the parties</p> <p>15 involved in this proceeding, and that</p> <p>16 I am in no way interested in the</p> <p>17 outcome of this matter.</p> <p>18</p> <p>19</p> <p>20 -----</p> <p>21 ROBERTA CAIOLA</p> <p>22 Dated: August 3, 2014</p> <p>23</p> <p>24</p> <p>25</p>

81 (Pages 321 to 324)

Exhibit C

1 UNITED STATES BANKRUPTCY COURT
2 EASTERN DISTRICT OF MICHIGAN
3 SOUTHERN DIVISION

4 In re:)
5 CITY OF DETROIT, MICHIGAN,)
6 Debtor.) Chapter 9
7 vs.) Case No. 13-53846
8 -----) Hon. Steven W. Rhodes
9
10
11
12

13 VIDEOTAPED DEPOSITION OF ELIZABETH VON HABSBURG

14 New York, New York

15 Thursday, July 31, 2014
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22
23

24 Reported by:
25 MICHELLE COX
JOB NO. 215820

<p style="text-align: right;">Page 102</p> <p>1 A Correct.</p> <p>2 Although one would have to take into</p> <p>3 account whether there is duress in a time</p> <p>4 period. But it's outside of the scope of</p> <p>5 opinion. So I didn't -- I don't have a good</p> <p>6 opinion on that.</p> <p>7 MR. O'REILLY: Let's take a break.</p> <p>8 Let's go off the record.</p> <p>9 THE VIDEOGRAPHER: This concludes Tape</p> <p>10 No. 1. The time is 11:12 a.m. We're off the</p> <p>11 record.</p> <p>12 (Recess taken.)</p> <p>13 THE VIDEOGRAPHER: This begins Tape No. 2.</p> <p>14 The time is 11:19 a.m. We're back on the</p> <p>15 record.</p> <p>16 BY MR. O'REILLY:</p> <p>17 Q You said that marketable cash value</p> <p>18 requires a reduction to make it net to seller,</p> <p>19 correct?</p> <p>20 A That's correct.</p> <p>21 Q What are those items that would have to be</p> <p>22 considered to make it net to seller?</p> <p>23 A The buyer's premium that the auction house</p> <p>24 puts on the hammer price, would be taken off.</p> <p>25 Any selling commissions on the part of the</p>	<p style="text-align: right;">Page 103</p> <p>1 seller, insurance charges, shipping charges,</p> <p>2 illustration fees, and any other costs that are</p> <p>3 associated with selling a Work of Art.</p> <p>4 Q In a typical fine art transaction, are you</p> <p>5 able to give me a percentage of how much of a</p> <p>6 reduction that would be to the seller from, I</p> <p>7 guess, the sale price to what the seller</p> <p>8 actually nets?</p> <p>9 A It depends on the level of value. The</p> <p>10 higher the value, the lower the percentage</p> <p>11 reduction. The lower the value the higher the</p> <p>12 percentage reduction.</p> <p>13 So in the case of a work that is, say,</p> <p>14 over \$2 million, the buyer's premium, if you're</p> <p>15 going to a Sotheby's or a Christie's type</p> <p>16 auction house or a Phillips, or any of the</p> <p>17 major auction houses, the buyer's premium would</p> <p>18 be approximately 12 percent. The seller's</p> <p>19 commission, at that high level, may be zero,</p> <p>20 but it could be up to, say, 5 percent,</p> <p>21 approximately. I'm giving approximates.</p> <p>22 There's an insurance charge, which at the</p> <p>23 higher level would probably be waived. So that</p> <p>24 would not come off. That would not be charged.</p> <p>25 There would be illustration fees. But at</p>
<p style="text-align: right;">Page 104</p> <p>1 the higher level, those may be waived. So</p> <p>2 there's nothing there.</p> <p>3 Shipping fees, which may have been charged</p> <p>4 at a lower value would probably not be charged</p> <p>5 at a higher value.</p> <p>6 So you're basically talking around, the</p> <p>7 high level works, around 12, 13 percent that</p> <p>8 would come off. At the lower value you are</p> <p>9 talking somewhere in -- by "lower value," it</p> <p>10 could be all the way down to \$500, \$200 or</p> <p>11 \$100; you're talking about probably a buyer's</p> <p>12 premium of up to 25 percent or so, that would</p> <p>13 come off.</p> <p>14 A seller's commission, that could be up to</p> <p>15 25 percent, and other fees: Insurance, might</p> <p>16 be one and a half percent; shipping charges;</p> <p>17 illustration fees, those would all come off.</p> <p>18 So you can't give a precise one. For</p> <p>19 every value, it changes depending on value.</p> <p>20 Q You aren't here to give an opinion on the</p> <p>21 amount of reductions there would be to get to</p> <p>22 net -- net to seller price or marketable cash</p> <p>23 value, correct?</p> <p>24 A That's correct.</p> <p>25 Q But you said that for works that are high</p>	<p style="text-align: right;">Page 105</p> <p>1 value you can have, for example, a buyer's</p> <p>2 premium -- I'm sorry.</p> <p>3 Is it the buyer's premium or the seller's</p> <p>4 commission that is 12 percent?</p> <p>5 A Buyer's premium.</p> <p>6 Q So the seller would have to consider</p> <p>7 reducing its expectations, if you will, from</p> <p>8 fair market value from at least that 12 percent</p> <p>9 to understand what their net would be, correct?</p> <p>10 A Yes, in a hypothetical manner.</p> <p>11 Q You've never been involved with a sale of</p> <p>12 \$1.7 billion of art, have you?</p> <p>13 A No.</p> <p>14 Q Do you have any reason to know what the --</p> <p>15 whether there would be a buyer's premium or a</p> <p>16 seller's charge -- strike that question.</p> <p>17 I think you said that -- you were offering</p> <p>18 me examples of buyer's premiums by Christie's;</p> <p>19 is that right?</p> <p>20 A Christie's or Sotheby's. These are</p> <p>21 approximate.</p> <p>22 Q Approximately 10 percent, or for the high</p> <p>23 value.</p> <p>24 It could be higher for low value, right?</p> <p>25 A Yes. Approximately 12 percent, highest</p>

<p style="text-align: right;">Page 106</p> <p>1 level, at Christie's and Sotheby's, and I 2 believe Phillips as well. And higher for a 3 lower value, generally. 4 Q If you applied that 12 percent discount to 5 1.75 billion, what's the number? 6 A I would need my calculator to give you 7 that number. 8 Q Does 200 million sound about right? 9 A Give me a calculator and I'll tell you. 10 Q Okay. You have no reason to dispute that 11 that would be charged in a transaction for a 12 sale of 1.75 billion dollars of art, right? 13 A Well, there are probably exceptions. 14 Q You personally have no factual information 15 to dispute that, correct? 16 A There are exceptions for high level Works 17 of Art where the seller gets a rebate part of 18 the buyer's premium. 19 Q That's negotiated between the parties who 20 are selling and the auction house, correct? 21 A Correct. 22 Q So you wouldn't know one way or the other 23 whether it could be included or not, correct? 24 A That's correct. 25 Q It would have to be worked out between the</p>	<p style="text-align: right;">Page 107</p> <p>1 two, correct? 2 A Yes. 3 Q When you listed the factors that you would 4 have to consider to get to the marketable cash 5 value, you didn't mention blockage discount, 6 right? 7 A Right. 8 Q Under USPAP, are there circumstances where 9 you would have to consider blockage discount? 10 A Under USPAP and under the IRS regulations, 11 yes. 12 Q Are you here in this case to form any 13 opinion on whether or not a blockage discount 14 applies to a sale of art at the DIA? 15 A Sorry. Can you rephrase that question? I 16 lost track. 17 Q You're being offered as an expert. I'm 18 just trying to figure out if you are going to 19 provide an opinion as an expert on whether a 20 blockage discount should be applied to a sale 21 of art at the DIA. 22 A I'm not here to do that. 23 Q Under USPAP, would you be required to 24 disclose if you're applying a blockage discount 25 to your marketable cash value assessment?</p>
<p style="text-align: right;">Page 108</p> <p>1 A Yes. 2 Q In your experience, would you have to 3 consider whether a blockage discount is 4 appropriate if you tried to sell 594 works at 5 the museum -- sorry, 582? 6 A Selling is different from appraisals. 7 So if you're appraising Works of Art, you 8 do decide whether blockage discount is 9 appropriate or not. 10 Q Right. 11 But you haven't formed an opinion on that, 12 correct, for the 582 that you appraised? 13 A We did not use blockage discount. 14 Q Okay. Would you apply blockage discount 15 to get the marketable cash value for 60,000 16 works in a collection? 17 A It depends on what was in the collection. 18 Q What about the DIA collection? 19 A I haven't looked at the whole collection. 20 But generally blockage discounts are used when 21 there are Works of Art by the same artist of 22 the same type in an artist's estate. 23 That's the primary use for blockage 24 discount. 25 Q In your experience, would it be</p>	<p style="text-align: right;">Page 109</p> <p>1 appropriate to consider it if you were doing a 2 marketable cash value assessment for a 3 collection of 60,000? 4 A It would be appropriate to look into it. 5 Q Would a sale of 100 master works 6 potentially depress the market? 7 A Broad question. 8 But I can say that if they were 100 9 individually fantastic Works of Art, probably 10 not, depending on how long you had to sell them 11 and what that group consisted of. 12 Q If you tried to sell them all at once and 13 they were high quality, would it have the 14 potential to depress the market? 15 A If you had to sell them all in one day, 16 you would want to consider various options for 17 those works: Auction, private sale, regional 18 sales. 19 So it really depends on what those Works 20 of Art are before I can make that 21 determination. 22 Q Do you know Todd Levin at the Levin Art 23 Group? 24 A I don't. 25 Q So you said it depends.</p>

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<p style="text-align: right;">Page 110</p> <p>1 Am I correct that you don't have an 2 opinion, sitting here today, whether a sale of 3 100 high value works at the museum would 4 depress the market? 5 A I don't have an opinion on that. 6 Q You said that you don't do liquidation 7 value, right? 8 A Correct. 9 Q Do you have a sense of when a liquidation 10 value is appropriate? 11 A I don't. We don't use it. 12 Q Okay. Do you know what factors would have 13 to be considered in a liquidation value 14 appraisal? 15 A No. 16 Q So you have no opinion one way or the 17 other about what factors might have to be 18 considered to understand what the liquidation 19 value of a collection would be? 20 A Correct. 21 Q And you don't have the expertise to do it 22 either, correct? 23 A We were never asked to do it. If we were 24 asked to do it we might investigate it and see 25 if we have the expertise to do it.</p>	<p style="text-align: right;">Page 111</p> <p>1 Q But sitting here today you don't have 2 those expertise, correct? 3 A I don't know. I've never been asked to do 4 it. 5 Q Well, now I'm a little confused. 6 So you've never done it before. And 7 you've told me you can't opine about it. But 8 you're saying that if you were asked to do it 9 you might learn enough to do it? 10 A We'd investigate what factors are called 11 into a liquidation value appraisal, and then 12 see if we were able to do it. 13 Q Have you been asked to do such an 14 appraisal? 15 A No. 16 Q Sitting here today, do you expect to do 17 such an appraisal? 18 A Not that I know of. 19 Q And this is your final report, correct? 20 A That's correct. 21 Q You used a market comparison approach in 22 doing your FMV, correct? 23 A Comparable market data approach, yes. 24 Q Sorry. 25 Can you use such an approach when you</p>
<p style="text-align: right;">Page 112</p> <p>1 don't use comparables? 2 Yeah. 3 So -- so in your report, which you used a 4 comparable market value approach, you mentioned 5 that some of them didn't have comparables. 6 I may be misreading or misremembering. 7 MR. RUEGGER: Page 7. 8 MR. O'REILLY: Page 7, my colleague says. 9 A Page 7. Oh, this is the report you're 10 talking about? 11 BY MR. O'REILLY: 12 Q Yeah. Your expert report -- 13 A My expert report. 14 Q -- which you signed -- 15 A Yes. 16 Q -- on Page 7. 17 At the bottom of the top paragraph, says: 18 Due to rarity, there are some items for which 19 no comparables exist. In these cases our 20 specialists offered their reasoning as to 21 valuation. In the occasional case items were 22 not valued for reasons stated in the document." 23 So you'd agree with me, then, that you 24 performed a comparable market value approach, 25 but where you didn't have comparables, you</p>	<p style="text-align: right;">Page 113</p> <p>1 relied upon your professional judgment? 2 A That's correct. There were no direct 3 comparables, yes. 4 Q What's the distinction there? 5 You said "direct comparables"? 6 A Normally, every Work of Art has something 7 by that artist or by that work master that can 8 be very closely compared. But sometimes 9 something is so much better than other works on 10 the market or so rare that you have to use 11 comparables that are outside those direct 12 comparables and go to your market knowledge of 13 other artists who have crafted or painted or 14 made works that are similar, or what you 15 presume to be the market for something that is 16 so outside the norm. 17 Q When you say "outside the norm" -- well, 18 first of all, do you know which objects didn't 19 have comparables? 20 A They all had some kind of comparable. 21 They may not have had an auction comparable or 22 a direct artist comparable. But they wouldn't 23 have -- there was reasoning behind what the 24 appraisers did to compare it to other objects 25 or other Works of Art --</p>

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Exhibit D

<p style="text-align: right;">Page 1</p> <p>1 Vanessa Fusco</p> <p>2 IN THE UNITED STATES BANKRUPTCY COURT</p> <p>3 FOR THE EASTERN DISTRICT OF MICHIGAN</p> <p>4</p> <p>5</p> <p>6 In Re:) Chapter 9</p> <p>7</p> <p>8</p> <p>9 CITY of DETROIT, MICHIGAN,) Case No. 13-53846</p> <p>10</p> <p>11 Debtor.) Hon. Steven Rhodes</p> <p>12</p> <p>13 -----X</p> <p>14</p> <p>15</p> <p>16 Videotaped Deposition of VANESSA FUSCO</p> <p>17 Taken at 919 Third Avenue</p> <p>18 New York, New York</p> <p>19 Commencing at 9:13 a.m.</p> <p>20 Friday July 25, 2014</p> <p>21 Before Roberta Caiola</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 3</p> <p>1 Vanessa Fusco</p> <p>2 A P P E A R A N C E S:</p> <p>3</p> <p>4 MICHAEL J. PATTWELL, ESQ.</p> <p>5 Clark Hill, PLC</p> <p>6 212 East Grand River</p> <p>7 Lansing, Michigan 48906</p> <p>8 Appearing on behalf of the Retirement</p> <p>9 Systems for the City of Detroit</p> <p>10 (Telephonic Appearance)</p> <p>11</p> <p>12 ALSO PRESENT:</p> <p>13 CAROLINE MOUSTAKIS, Christie's</p> <p>14 Vice President, Senior Counsel</p> <p>15 Dispute Resolution</p> <p>16 MICHAEL GOCKSCH</p> <p>17 JOSE RIVERA - Video Technician</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p style="text-align: right;">Page 2</p> <p>1 Vanessa Fusco</p> <p>2 A P P E A R A N C E S:</p> <p>3</p> <p>4 ERICH O. GROSZ, ESQ.</p> <p>5 SARAH K. GARVEY-POTVIN, ESQ.</p> <p>6 WILLIAM H. TAFT, V, ESQ.</p> <p>7 DEBEVOISE & PLIMPTON, LLP</p> <p>8 919 Third Avenue</p> <p>9 New York, New York 10022</p> <p>10 Attorneys for Christie's</p> <p>11</p> <p>12 GEOFFREY S. IRWIN, ESQ.</p> <p>13 ALEXANDER E. BLANCHARD, ESQ.</p> <p>14 Jones Day</p> <p>15 51 Louisiana Avenue, N.W.</p> <p>16 Washington, D.C. 20001</p> <p>17 Appearing on behalf of the</p> <p>18 Debtor and The Witness</p> <p>19</p> <p>20 EDWARD SOTO, ESQ.</p> <p>21 Weil, Gotshal & Manges, LLP</p> <p>22 1395 Brickell Avenue - Suite 1200</p> <p>23 Miami, Florida 33131-3368</p> <p>24 Appearing on behalf of Financial</p> <p>25 Guaranty Insurance Company</p> <p>ARTHUR T. O'REILLY, ESQ.</p> <p>SCOTT KITEI, ESQ. (Telephonic Appearance)</p> <p>Honigman Miller Schwartz & Cohn LLP</p> <p>2290 First National Building</p> <p>660 Woodward Avenue</p> <p>Detroit, Michigan 48226-3506</p> <p>Appearing on behalf of the</p> <p>Detroit Institute of Arts</p> <p>ARTHUR H. RUEGGER, ESQ.</p> <p>JOHN BYRNES, Intern</p> <p>Dentons US, LLP</p> <p>1221 Avenue of the Americas</p> <p>New York, New York 10020-1089</p> <p>Appearing on behalf of the</p> <p>Retiree Committee</p>	<p style="text-align: right;">Page 4</p> <p>1 Vanessa Fusco</p> <p>2 THE VIDEOGRAPHER: This is media</p> <p>3 unit number 1 in the video deposition of Vanessa</p> <p>4 Fusco, in the matter of In Re: City of Detroit</p> <p>5 Michigan, Debtor, in the United States</p> <p>6 Bankruptcy Court for the Eastern District of</p> <p>7 Michigan, case number 13-53846.</p> <p>8 This deposition is being held at</p> <p>9 Debevoise & Plimpton LLP, 919 Third Avenue, New</p> <p>10 York, New York, on July 25, 2014 at</p> <p>11 approximately 9:13 a.m.</p> <p>12 My name is Jose Rivera from the</p> <p>13 firm of Elisa Dreier Reporting Corp. and I am</p> <p>14 the legal video specialist. The court reporter</p> <p>15 is Roberta Caiola, in association with Elisa</p> <p>16 Dreier Reporting Corp. located at 950 Third</p> <p>17 Avenue, New York, New York.</p> <p>18 Will the court reporter please</p> <p>19 swear in the witness.</p> <p>20 THE COURT REPORTER: Raise your</p> <p>21 right hand please. Do you swear the testimony</p> <p>22 that you are about to give will be the truth,</p> <p>23 the whole truth, and nothing but the truth?</p> <p>24 THE WITNESS: Yes.</p> <p>25 VANESSA FUSCO, having been duly sworn by the</p>

Pages 1 to 4

<p style="text-align: right;">Page 185</p> <p>1 Vanessa Fusco</p> <p>2 Q. I was going to go back and ask you.</p> <p>3 Were any of them for the purpose of sale?</p> <p>4 A. Yes.</p> <p>5 Q. Would that be one of the ones that</p> <p>6 you did from 2010 through 2011-2014, correct?</p> <p>7 A. Yes.</p> <p>8 Q. In connection with the collection</p> <p>9 that you valued for purposes of sale, how large</p> <p>10 a collection in terms of the number of works of</p> <p>11 art was that?</p> <p>12 MR. IRWIN: Do you mean among the?</p> <p>13 MR. SOTO: Yes.</p> <p>14 MR. IRWIN: His prior examples.</p> <p>15 A. Of those six prior examples three</p> <p>16 were for the purposes of sale.</p> <p>17 Q. And?</p> <p>18 A. And how many objects were included?</p> <p>19 Q. Yes.</p> <p>20 A. Again, I don't have the data at my</p> <p>21 fingertips, but from my memory the smallest was</p> <p>22 6 or 700 objects and the largest between 1,500</p> <p>23 and 2,000.</p> <p>24 MR. GROSZ: Would you like to take</p> <p>25 a break?</p>	<p style="text-align: right;">Page 187</p> <p>1 Vanessa Fusco</p> <p>2 Q. Does it make a difference if you're</p> <p>3 valuating each piece of art in isolation, as you</p> <p>4 just mentioned earlier, as opposed to as the</p> <p>5 whole group; does that make a difference in the</p> <p>6 valuation?</p> <p>7 A. It can make a difference, yes.</p> <p>8 Q. And how, how can it make a</p> <p>9 difference?</p> <p>10 A. One must be conscious of presenting</p> <p>11 too many works at once that are similar in</p> <p>12 nature or that only have a limited pool of</p> <p>13 buyers, essentially flooding the market.</p> <p>14 Q. So in general terms, if you're</p> <p>15 looking at a group of art like the 1,700 or so</p> <p>16 pieces that you valued in the DIA collection,</p> <p>17 would a valuation of the entire group for fair</p> <p>18 market value purposes as you were asked to do</p> <p>19 here, would it be greater or lesser if it was</p> <p>20 done for the whole group as opposed to each</p> <p>21 individual piece?</p> <p>22 MR. IRWIN: There's a</p> <p>23 mischaracterization here, a disconnect; maybe</p> <p>24 the witness can clarify.</p> <p>25 A. Can you repeat that?</p>
<p style="text-align: right;">Page 186</p> <p>1 Vanessa Fusco</p> <p>2 THE WITNESS: Yes.</p> <p>3 MR. GROSZ: Now?</p> <p>4 MR. SOTO: Absolutely.</p> <p>5 THE VIDEOGRAPHER: The time is 2:25</p> <p>6 p.m. and we're going off the record.</p> <p>7 (Short recess taken)</p> <p>8 THE VIDEOGRAPHER: This begins</p> <p>9 media unit number 4, the time is 2:42 p.m. and</p> <p>10 we're back on the record.</p> <p>11 BY MR. SOTO:</p> <p>12 Q. Ms. Fusco, before the break you had</p> <p>13 mentioned something about analyzing art in</p> <p>14 isolation as opposed to analyzing art as a whole</p> <p>15 group of art.</p> <p>16 I think you said, correct me if I'm</p> <p>17 wrong, that the work you did in connection with</p> <p>18 your valuation for the DIA for the City, of the</p> <p>19 DIA art owned by the City was done for each</p> <p>20 isolated piece of art, correct?</p> <p>21 A. That's correct.</p> <p>22 Q. Explain to the Court what that</p> <p>23 means. You looked at one piece of art and</p> <p>24 valued that piece of art by itself, correct?</p> <p>25 A. Yes, that's what that means.</p>	<p style="text-align: right;">Page 188</p> <p>1 Vanessa Fusco</p> <p>2 Q. What I'm trying to figure out is</p> <p>3 you have a valuation that you've given to the</p> <p>4 City of Detroit and the Court is going to be</p> <p>5 looking at it in connection with 1,700 pieces,</p> <p>6 correct?</p> <p>7 MR. O'REILLY: Objection,</p> <p>8 mischaracterizes.</p> <p>9 A. Christie's did a formal appraisal</p> <p>10 of 1,700 pieces in the COD collection.</p> <p>11 Q. And you valued each of those</p> <p>12 pieces, you gave a value to each of those</p> <p>13 pieces, correct?</p> <p>14 A. Of those 1,700 pieces, yes.</p> <p>15 Q. If I'm understanding you, and I</p> <p>16 want to know if there is a disconnect you tell</p> <p>17 me, you did that in isolation for each piece as</p> <p>18 you just described it, correct?</p> <p>19 A. That's correct.</p> <p>20 Q. Would that value or would the value</p> <p>21 for those pieces differ if you did it as a</p> <p>22 group? That's the question.</p> <p>23 MR. O'REILLY: Objection to form.</p> <p>24 A. If we were to consider -- there are</p> <p>25 segments of the collection that if we were to</p>

Pages 185 to 188

<p style="text-align: right;">Page 189</p> <p>1 Vanessa Fusco</p> <p>2 consider putting on the market and were</p> <p>3 instructed to do so all at once, we would</p> <p>4 generally in that case apply a discount.</p> <p>5 Q. For each piece?</p> <p>6 A. Because -- yes, for each piece,</p> <p>7 because there's only a limited pool of buyers</p> <p>8 for certain categories of art, and if you put</p> <p>9 works on the market all at once and flood that</p> <p>10 capacity of those buyers you might net a lower</p> <p>11 value than if a single work were to go on the</p> <p>12 market at once.</p> <p>13 Q. Looking at paragraph 21, the second</p> <p>14 sentence says:</p> <p>15 "Christie's valuation provided fair</p> <p>16 market values using an industry standard</p> <p>17 appraisal methodology the market data approach.</p> <p>18 We decided that specialists should provide a</p> <p>19 range of fair market values."</p> <p>20 That's consistent with what you</p> <p>21 testified about earlier, correct?</p> <p>22 A. Yes.</p> <p>23 Q. It says here:</p> <p>24 "Christie's made no assumptions</p> <p>25 about the hypothetical sale process, nor did we</p>	<p style="text-align: right;">Page 191</p> <p>1 Vanessa Fusco</p> <p>2 what we refer to in the industry as hammer</p> <p>3 prices, meaning what the work sells for in the</p> <p>4 room and not with the addition of a commission</p> <p>5 that Christie's collects for providing -- for</p> <p>6 putting that work on the market.</p> <p>7 Q. So now I'm switching to something I</p> <p>8 might understand. If you have the value of a</p> <p>9 home, for example, and you gave someone the fair</p> <p>10 market value of the home; am I right that what</p> <p>11 this means is we're just giving you the value of</p> <p>12 the home. We're not telling you what you might</p> <p>13 have to pay a broker if you have to pay a</p> <p>14 commission to get it sold, is that what you mean</p> <p>15 by that?</p> <p>16 MR. IRWIN: Form.</p> <p>17 A. Please say that again.</p> <p>18 Q. So if you own a home and you have a</p> <p>19 fair market value that's been determined for</p> <p>20 that home, as you determine the fair market</p> <p>21 value for the 700 pieces.</p> <p>22 Is that sentence meaning we did not</p> <p>23 include in our valuation any additional money</p> <p>24 that might have to be paid for a broker in order</p> <p>25 to get a sale accomplished; is that what you</p>
<p style="text-align: right;">Page 190</p> <p>1 Vanessa Fusco</p> <p>2 take into account any commissions, buyers</p> <p>3 premiums or potential financial agreements</p> <p>4 between the buyer, seller and/or venue that</p> <p>5 could affect the final price realized."</p> <p>6 Do you see that sentence?</p> <p>7 A. Um-hum.</p> <p>8 Q. It then goes on and says:</p> <p>9 "We also did not assume any</p> <p>10 discounts that might apply, if for example</p> <p>11 numerous COD works were to be sold at one time."</p> <p>12 So this last sentence is what you</p> <p>13 were just referring to, correct?</p> <p>14 A. Correct.</p> <p>15 Q. What about the sentence before</p> <p>16 where it says:</p> <p>17 "Christie's made no assumptions</p> <p>18 about the hypothetical sale process, nor did we</p> <p>19 take into account any commissions, buyers</p> <p>20 premiums or potential financial agreements."</p> <p>21 Do you see that?</p> <p>22 A. Yes.</p> <p>23 Q. What was that referring to?</p> <p>24 A. The fair market values provided --</p> <p>25 the range of fair market values provided are</p>	<p style="text-align: right;">Page 192</p> <p>1 Vanessa Fusco</p> <p>2 mean by that?</p> <p>3 MR. IRWIN: Form.</p> <p>4 A. What I mean is that we did not</p> <p>5 include a commission that Christie's would</p> <p>6 normally take for a sale of values of this</p> <p>7 works -- sorry, for a sale of these works at</p> <p>8 this value range.</p> <p>9 Q. So what you're simply saying in</p> <p>10 your expert report that you didn't say in your</p> <p>11 valuation is here is the fair market value as</p> <p>12 you defined it, which is consistent with the</p> <p>13 IRS's fair market value; but if you want to sell</p> <p>14 those you might have to pay a commission. So</p> <p>15 you may not net out the fair market value, you</p> <p>16 may have to pay a commission; is that what</p> <p>17 you're saying?</p> <p>18 MR. IRWIN: I would also object.</p> <p>19 Your representation is that it was not -- it's</p> <p>20 here but it's not elsewhere, was that the</p> <p>21 beginning of your question?</p> <p>22 MR. SOTO: No. Strike that. I'll</p> <p>23 start again.</p> <p>24 BY MR. SOTO:</p> <p>25 Q. You put together a fair market</p>

Pages 189 to 192

Exhibit E

<p style="text-align: right;">Page 1</p> <p style="text-align: center;">- PAUL PROVOST - VOLUME I - IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF MICHIGAN</p> <p>In Re:) Chapter 9</p> <p>CITY of DETROIT, MICHIGAN,) Case No. 13-53846</p> <p>Debtor.) Hon. Steven Rhodes</p> <p>DATE: August 6, 2014 TIME: 2:40 p.m.</p> <p style="text-align: center;">VOLUME I VIDEOTAPED DEPOSITION OF PAUL PROVOST, held at the offices of Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York, pursuant to Order, before Nicole Cannistraci, a Shorthand Reporter and Notary Public of the State of New York.</p>	<p style="text-align: right;">Page 3</p> <p>1 - PAUL PROVOST - VOLUME I - 2 A P P E A R A N C E S: (Cont'd) 3 SANDRA L. COBDEN, ESQ. 4 20 Rockefeller Plaza 5 New York, New York 10020 6 Appearing on behalf of Christie's 7 8 GEOFFREY S. IRWIN, ESQ. 9 Jones Day 10 51 Louisiana Avenue, N.W. 11 Washington, D.C. 20001 12 Appearing on behalf of the City of Detroit 13 14 PAUL C. GUNTHER, ESQ. 15 Dentons US, LLP 16 1221 Avenue of the Americas 17 New York, New York 10020 18 Appearing on behalf of the Retiree Committee 19 20 LAUREN BUONOME, ESQ. (Via telephone) 21 Jones Day 22 222 East 41st Street 23 New York, New York 10017-6702 24 Appearing on behalf of the City of Detroit 25</p>
<p style="text-align: right;">Page 2</p> <p>1 - PAUL PROVOST - VOLUME I - 2 A P P E A R A N C E S: 3 ELIZABETH G. HENDEE, ESQ. 4 Weil, Gotshal & Manges, LLP 5 767 Fifth Avenue 6 New York, New York 10153 7 Appearing on behalf of Financial Guaranty 8 Insurance Company 9 10 EDWARD R. McCARTHY, ESQ. 11 Weil, Gotshal & Manges, LLP 12 1395 Brickell Avenue, Suite 1200 13 Miami, Florida 33131 14 Appearing on behalf of Financial Guaranty 15 Insurance Company 16 17 ERICH O. GROSZ, ESQ. 18 WILLIAM H. TAFT, V, ESQ. 19 SARAH K. GARVEY-POTVIN, ESQ. 20 Debevoise & Plimpton LLP 21 919 Third Avenue 22 New York, New York 10022 23 Appearing on behalf of Christie's 24 25</p>	<p style="text-align: right;">Page 4</p> <p>1 - PAUL PROVOST - VOLUME I - 2 A P P E A R A N C E S: (Cont'd) 3 ALSO PRESENT: 4 Joe Darrion, Videographer 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>

1 (Pages 1 to 4)

1 - PAUL PROVOST - VOLUME I -
 2 other parties and it was -- and, again, the
 3 scope of what some type of loan might be, we had
 4 no idea what the scope of what any type of loan
 5 or line of credit might be, so it would be
 6 difficult to model something if you don't have
 7 basic information.

8 Q. Did Christie's -- and to your
 9 knowledge again -- have any further
 10 conversations about this alternative?

11 MR. GROSZ: After the
 12 submission --

13 Q. After the submission of the
 14 December 3rd letter?

15 A. With whom?

16 Q. Let's start with the City.

17 A. To my knowledge, no.

18 Q. How about with the DIA?

19 A. To my knowledge, no.

20 Q. And did you consider to discuss
 21 this internally after December 3rd?

22 A. After this was submitted, there
 23 may have been subsequent -- some discussions
 24 about what happened after the submission, but
 25 there was no substantive discussion about these

1 - PAUL PROVOST - VOLUME I -
 2 alternatives --

3 Q. Okay.

4 A. -- internally at Christie's.

5 Q. The analysis included in your
 6 December 3rd or the December 3rd, 2013 letter
 7 about using city-owned works as collateral for a
 8 loan or line of credit, is that the -- was any
 9 further analysis done on this?

10 A. No, not to my knowledge.

11 Q. In doing this analysis was any
 12 research done?

13 A. Can you define "research"?

14 Q. Did -- did you or your colleagues
 15 who were working on this work stream do anything
 16 to look into or analyze this alternative beyond
 17 simply talk and brainstorm?

18 A. No.

19 Q. Okay. So you didn't look into
 20 past situations in which works had been used as
 21 collateral beyond what you already know?

22 A. I don't believe so.

23 Q. In a typical situation in which
 24 art is used as collateral for a loan, how do the
 25 parties involved come up with the amount of loan

1 - PAUL PROVOST - VOLUME I -
 2 that can be taken out against the art? I'm
 3 saying "art" broadly here to include, as we
 4 discussed, it could be a work of art, it could
 5 be a collection of art.

6 MR. GROSZ: I'm sorry, I'm just
 7 not sure I understand the question.

8 Q. Did you understand these
 9 questions, Mr. Provost?

10 A. Not precisely.

11 Q. Let me reread it and see if I can
 12 break it down for you.

13 So in a typical situation or --
 14 based on your experience when parties are
 15 considering using art -- and by "art" I mean a
 16 piece of work or possibly a collection as
 17 collateral for a loan -- how would the parties
 18 determine what the maximum amount of that loan
 19 could be using that collateral?

20 MR. GROSZ: I'm going to object to
 21 the term "parties," which I think is
 22 vague.

23 Q. I simply mean the participants in
 24 that analysis who are determining what the terms
 25 of the loan would be?

1 - PAUL PROVOST - VOLUME I -

2 MR. GROSZ: I think we need to go
 3 off the record for a minute to get some
 4 clarification on what we're talking
 5 about here.

6 MR. MCCARTHY: All right, let's go
 7 off the record.

8 THE VIDEOGRAPHER: We're going off
 9 the record. The time is 4:46.

10 (A recess was taken.)

11 THE VIDEOGRAPHER: We are now back
 12 on the record. The time is 4:54.

13 MR. GROSZ: Before we went off the
 14 record I think there was a question
 15 pending. Am I correct that that
 16 question is withdrawn and you have a new
 17 question?

18 MS. HENDEE: Yes.

19 MR. GROSZ: Okay.

20 BY MS. HENDEE:

21 Q. To your knowledge, what is the
 22 industry standard for setting the value of the
 23 loan to be taken out against a piece of artwork,
 24 collection of art? So what is the relationship
 25 between the value of the art and the value of

<p style="text-align: right;">Page 89</p> <p>1 - PAUL PROVOST - VOLUME I - 2 the loan? 3 A. To my knowledge, an industry 4 standard for loan-to-value for -- in the art 5 world and art market is 50 percent, although I 6 will add that that can vary tremendously 7 depending on a whole host of factors, which 8 would include some -- and those are going to be 9 assessments of risk and something along the 10 lines of, for example, it's riskier to lend 11 against one work of art than to lend against a 12 whole collection. Because if at the time when 13 things come for sale if everything -- all your 14 eggs are in the basket of that one work and it 15 fails to sell, then it's difficult to get the 16 collateral to be repaid. 17 If one is lending against an 18 entire collection and that collection is sold, 19 either voluntarily or for other reasons, one is 20 in a better position of spreading the risk 21 across a whole group of works of art to repay 22 the loan as opposed to having all the 23 collateral -- all the loan tied up in one 24 object. 25 The other issue which would</p>	<p style="text-align: right;">Page 91</p> <p>1 - PAUL PROVOST - VOLUME I - 2 So therefore if one's considering lending 3 against works of art that are in certain market 4 sectors, one needs to take into account what 5 those market sectors are in assessing the risk. 6 Q. So you identified market sector as 7 one consideration when determining the risk and 8 whether it's a collection or single work. Any 9 other considerations? 10 A. A lot of those risk assessments 11 are going to be the typical risk assessments 12 that one might undertake when looking at any 13 lending, what's the term of the loan, look if 14 there is any other collateral one would be 15 looking to besides the collateral that's being 16 pledged for the particular loan. I would say 17 there are similar types of concerns that one 18 would have in assessing the risk that are 19 similar to other types of loans. 20 Q. Would one assess the risk 21 differently if the loan involved a collection of 22 works that touched on multiple market sectors? 23 A. Yes, you'd assess it differently 24 because there would be multiple things to 25 assess.</p>
<p style="text-align: right;">Page 90</p> <p>1 - PAUL PROVOST - VOLUME I - 2 mitigate around the loan-to-value issue around 3 risk issues is what market sector are we talking 4 about. To understand the art market, one needs 5 to understand that it is not this monolithic 6 marketplace, but actually the art market is made 7 up of a whole group of smaller market sectors 8 which are often considered collecting areas. 9 So that's to say, for example, 10 that the impressionist and modern art market 11 sector, which includes impressionist painters 12 like Monet and Renoir and Sisley as well as 13 Picasso and Braque and Muro, the way that market 14 functions, that market sector functions, is 15 vastly different than something, for example, 16 like the Old Masters paintings market or is 17 going to be vastly different than a market 18 sector such as the jewelry market. 19 Jewelry market, the way values are 20 determined in that marketplace and how that 21 marketplace works, that market sector is all 22 considered within the larger rubric of the art 23 market, but the dynamic of that particular 24 market sector is very different from the dynamic 25 from the impressionist and modern art market.</p>	<p style="text-align: right;">Page 92</p> <p>1 - PAUL PROVOST - VOLUME I - 2 Q. Now, we're turning back to the -- 3 your work for the City in connection with the 4 DIA, in connection with exploring as a potential 5 non-sale options using city-owned works as 6 collateral for a loan, had you considered any of 7 these factors? 8 A. Again, this was purely 9 hypothetical in terms of our putting this 10 together as a -- as a -- something for further 11 investigation. There was no analysis done -- 12 there was no analysis done around those risk 13 factors for this alternative. 14 Q. Did you discuss whether in this 15 hypothetical -- and I know it was -- seemed like 16 it was a very high level discussion -- but did 17 you discuss whether a potential loan would 18 include all of the COD works, a portion of them, 19 a single work? 20 A. That was not considered -- we 21 considered it was just a hypothetical loan of 22 works of art from the DIA. 23 Q. Okay. Did you discuss whether or 24 not it would be riskier to explore such a 25 transaction using a group of works versus an</p>

23 (Pages 89 to 92)

Exhibit F

VICTOR WIENER ASSOCIATES, LLC.

FINE ART CONSULTANTS AND APPRAISERS

201 WEST 89TH STREET, 11 D
NEW YORK, NY 10024
TEL: 646-206-3992

In re City of Detroit, Michigan, Case No. 13-53846 (SWR)

Expert Report

**Prepared by Victor Wiener,
Director of Victor Wiener Associates, LLC**

July 25, 2014¹

¹ This Report has been corrected as of August 20, 2014 to account for certain typographical and transcription errors, as explained in greater detail in the Addendum attached hereto.

**EXPERT WITNESS DISCLOSURE BY VICTOR WIENER, DIRECTOR OF
VICTOR WIENER ASSOCIATES, LLC**

The following expert report (***REPORT***) has been prepared by Victor Wiener of the firm Victor Wiener Associates, LLC (***VWA***) an art appraisal and consultancy firm located in New York City with associates and affiliates worldwide.

The Report contains:

- The issues to be addressed
- The opinions reached in addressing these issues
- The data which was relied upon in forming these opinions
- Certain attachments, which support the opinions stated in the body of the Report
- The qualifications of the expert witness
- A list of all publications authored by the witness during the previous 10 years as stipulated
- A list of all cases in which the witness has testified as a witness within and beyond the stipulated 4 years required in this disclosure

Compensation to the witness has been agreed at \$300 per hour for the preparation of this and supplemental reports if necessary; \$400 per hour for preparation for all testimony including depositions; \$5,000 per day for deposition and court testimony; reimbursement for all out-of-pocket expenses, including travel, associated with the expert witness testimony.

SUBJECT PROPERTY

The subject property to be appraised is approximately 60,000 works of art (***SUBJECT PROPERTY***) comprising the entire art collection of the Detroit Institute of Arts (***DIA***) located in Detroit, Michigan.

VALUATION CONCLUSIONS

In fulfillment of the appraisal assignment VWA reached the following valuation conclusion:

That the total value of the collection is **\$8,149,232,354** and probably more than that.

The appraised total has been determined as of July 25th, 2014.

METHODOLOGY DETERMINING VALUE CONCLUSIONS

Methodology Step by Step Chart				
Step 1	Valuation of High-Value Works by VWA			
	<u># of Units</u>	<u>Low Value</u>	<u>High Value</u>	<u>Average Value</u>
	387	3,092,419,700	4,040,303,800	3,566,631,750
Step 2	Valuation of High-Value Works performed by Christie's, Artvest and Winston			
	<u># of Units</u>			<u>Average Value</u>
	596			311,370,325
Step 3	Projected valuation of works on DIA Insurance List (estimated for appreciation)			
	<u># of Units</u>	<u>DIA Insurance Value</u>	<u>% Appreciation</u>	<u>Projected Value</u>
	16,388	468,449,537	62.0%	758,888,249
Step 4	Pricing matrix of remaining works based on Christie's and Southeby's 2013 sales price by department			
	<u># of Units</u>			<u>Average Value</u>
	42,854			3,512,612,030
Step 5	Combined Value			
	<u># of Units</u>			<u>Average Value</u>
	60,225			8,149,232,354

ASSIGNMENT

The following section discusses:

- The background of the assignment, in which specifics of the appraisal assignment are discussed
- The decision to accept the assignment
- The specific qualifications of VWA in fulfilling the assignment
- Time restrictions dictating the nature of the Appraisal Report

Background of the assignment

In May 2014 Victor Wiener was contacted by Ian Peck of Art Capital Group (**ACG**), an art financing company to see if VWA would be interested in appraising the entire collection of the DIA constituting the Subject Property cited above with a view to producing an appraisal report which could be used in the process of generating a loan to the City of Detroit (**DETROIT**).

After considerable discussion, VWA committed to perform the appraisal report and ACG committed to retain the services of VWA.

At that point, ACG submitted a non-disclosure agreement in order to send Mr. Wiener confidential documents to review in order for Mr. Wiener to determine the scope of work required to fulfill the assignment.

The decision to accept the assignment

Mr. Wiener had an initial hesitation in accepting the assignment; considerable attention within the media had been devoted to press stories of Detroit's bankruptcy and the possibility that the holdings of the DIA would be sold to cover Detroit's obligations.

As discussed in this report and disclosed in Mr. Wiener's CV (*see* Attachment A), Mr. Wiener has had extensive museum experience. As such, he felt that the DIA holdings should be maintained.

However, once Mr. Wiener had a chance to review the Catalogue of Information Concerning Artwork Housed at the Detroit Institute of Arts, prepared by Houlihan Lokey Capital, Inc. (**HOULIHAN CATALOGUE**), Mr. Wiener was convinced that a loan was a viable plan for the DIA collection, including the loan proposed by ACG.

In order for the loan to take place, a credible appraisal report of the DIA holdings was required.

Mr. Wiener had informed ACG that any report VWA would submit would be in conformity with the Uniform Standards of Professional Appraisal Practice (**USPAP**), the universally accepted appraisal standards within the United States and abroad for all classes of property which require appraisals.

The USPAP stresses that the USPAP have been written to contribute to "public trust" of the appraisal practice (*see e.g.* Attachment D: Select Slides from Uniform Standards of Professional Appraisal Standards course material written by the Appraisal Foundation [emphasis added by Appraisal Foundation]).

In keeping with this requirement appraisers are given the option of refusing an assignment (see EG USPAP U-8 Management).

Taking all the facts into consideration, Mr. Wiener concluded that the public trust would indeed be served if indeed VWA conducted the appraisal assignment.

Sometime after VWA had committed its services to ACG, Mr. Wiener was informed that, in keeping with confidentiality requirements and the fact that court testimony would be required, VWA would be retained by the law firm Weil, Gotshal & Manges, LLP (*WEIL*), working on behalf of Financial Guaranty Insurance Company (*CLIENT*). However, the assignment would also have the stipulation that ACG would be named as an intended user of the report and the appraisal report could also be used by any additional funders ACG may require to help in putting together the funding necessary to advance a loan to keep the DIA collection in place.

Specific qualifications of VWA in fulfilling the assignment

In accepting the assignment, VWA felt extremely well qualified. Two of the principals in the appraisal process have extensive museum experience.

Victor Wiener received a certificate in Museum Training given jointly by the Institute of Fine Arts of New York University and the Metropolitan Museum of Art. In addition to having instructors from the Institute of Fine Arts and the Metropolitan Museum of Art, his instructors also included Pierre Verlet, head of the department of furniture at the Louvre, and Charles Sterling, curator emeritus of paintings at the Louvre. In addition, Mr. Wiener received a two-year fellowship from the Ford Foundation providing for internship at the Department of Prints, Drawings, and Photographs at the Metropolitan Museum of Art and the Victoria and Albert Museum in London under direct supervision of the Museum's director, Sir John Pope-Hennessy. Upon returning from London to New York, Mr. Wiener was awarded a Chester Dale Fellowship from the Metropolitan Museum of Art, providing for another year of work at the Department of Prints, Drawings, and Photographs where he curated an exhibition, "Eighteenth Century Italian Prints." In addition, prior to assuming the position of executive director of the Appraisers Association of America, Mr. Wiener worked directly for the Philadelphia Museum of Art on loan agreements and appraisals for loan exhibitions. He has also lectured on several occasions for the American Association of Museums. Further discussion of Mr. Wiener's credentials and his complete curriculum vitae are appended to this report. (*See Attachment A.*)

David Shapiro has also had direct relationships with museums in a variety of capacities. He has taught courses of art history at the Museum of Modern Art (MoMA), and he has worked as an in-gallery museum educator at MoMA PS1, the Dahesh Museum of Art, and the Bronx Museum of the Arts, interpreting collections and special exhibitions for diverse audiences, largely school groups. Mr. Shapiro's proposal to create the Rockaway Museum of Contemporary Art was featured in MoMA PS1's exhibition "EXPO 1" as a

response to a Call for Proposals to revitalize the Rockaways after the damage of Superstorm Sandy. Shapiro's writing has also been published in a catalogue by MoMA to accompany a major retrospective exhibition. Mr. Shapiro has also worked extensively with museums in external roles. At the Fashion Institute of Technology (FIT), he taught "Art in New York," an on-site course that takes place entirely in the city's museums and galleries. Presently, he works indirectly with museum collections as an editor of higher-education art history textbooks. Mr. Shapiro's academic and appraisal credentials are discussed in greater detail below.

Time restrictions dictating the nature of the Appraisal Report

The retention agreement was not finalized and signed until July 11th, 2014; since all expert reports were required by the Court to be filed by July 25th, 2014, VWA had less than two weeks to finalize a report for more than 60,000 works of art.

Under these circumstances it was decided that a preliminary appraisal report would be written which would be of a summary nature; however the document to be filed would be in compliance with the USPAP in which all requirements for such a report would be fulfilled. Complete discussion of the format of the report is given below.

There were further complications impeding the timely production of the Report.

It is our understanding that the DIA was requested to produce in a timely fashion a searchable inventory of the museum collection.

Among the documents supplied to us was a 17,000-page image inventory with about 40% of the photographs of objects in the collection missing. (*See Attachment E: DIA Inventory Page, Missing Photograph Example*)

In addition, all inventory entries were in PDF format and not within a searchable or sortable format.

Furthermore, instead of giving the name of the artist or creator of specific objects all objects were named "Unknown, American." In other words, a painting by Italian Renaissance artist, Benozzo Gozzoli created ca. 1460 was labeled on the PDF, "Unknown, American," before America was discovered by Columbus; or the paintings by Van Gogh who never even visited America were called "Unknown, American." (*See Attachment F: DIA Inventory Page, Misabeled "Unknown, American" Examples.*)

One presumes that the DIA has a searchable database since a partial database is available online on the DIA website. This database was useful for thumbnail photographs for a selection of the works, but VWA was unable to get an electronic count of how many objects were in each of the DIA's curatorial departments.

VWA made numerous requests before our official retention to be supplied with digital data that we could use, but we were not provided with the information.

It was only on July 18th, 2014, just about one week before the report was due, that we received some of the electronic data we had requested, but it was still incomplete, which presented substantial challenges.

For these reasons the current report is labeled “preliminary.”

QUALIFICATIONS OF APPRAISERS

The above valuation was formulated by VWA.

VWA has brought together a select team of the most qualified expert appraisers and consultants offering its clients specialized services and highly personalized attention coupled with utmost confidentiality.

This team has been assembled by Victor Wiener, who for over twenty years served as Executive Director of the Appraisers Association of America. During his tenure and afterwards, Mr. Wiener identified and worked with those experts now employed by VWA.

Those appraisers who worked on this Report are:

Victor Wiener: Principal author and signatory

Currently an appraiser in private practice, Victor Wiener served as executive director of the Appraisers Association of America for 21 years. Prior to that he worked for several auction houses in Rome, London, and New York, including Sotheby's and Christie's, where he was Director of the fine arts department in Rome. A trained art historian, Mr. Wiener has worked at several museums including the Metropolitan Museum of Art in New York and the Victoria and Albert Museum in London. He has published extensively, and is co-editor and a principal contributor to *All About Appraising: The Definitive Appraisal Handbook* (2003), and a co-author of *An Underwriter's Guide to the Valuation of Art, Antiques & Collectibles* published by the Inland Marine Underwriters Association, 2001. He has also taught the appraisal of fine and decorative arts at The New School, Baruch College, and New York University (NYU), where, for over twenty years, he has been an adjunct assistant professor on the faculty of the Appraisal Studies Program. At NYU, he teaches courses on the Legal and Ethical Responsibilities for Appraisers and on the USPAP; he previously taught IRS Rules and Regulations. Mr. Wiener is one of the few instructors of the USPAP with a specialty in personal property to be certified by the Appraisal Standards Board of the Appraisal Foundation, the organization “authorized by Congress as the source of appraisal standards and appraiser qualifications” (cf. text on Appraisal Foundation's logo).

Mr. Wiener has served as an expert witness in several high-profile art cases including matters concerning the estates of Andy Warhol and Louise Nevelson, and litigation concerning two of the most important works by Damien Hirst. He has been employed by several agencies of the Canadian government; by the Department of Justice as an expert witness in the litigation, *Charles Malette v. H.M. the Queen*; by the Canadian Cultural Property Export Review Board (CCPERB) in the determination of value of property seeking certification as culturally relevant to Canada; and by the Canadian Revenue Agency (CRA) in the review of donated items to Canadian cultural institutions. Mr. Wiener has written extensively on the application of blockage discount and other tax-related matters.

His work in valuing highly valuable property is extensive. He has served as an expert witness in *Stephen and Elaine Wynn v. Those Certain Underwriters at Lloyds, London et al.*, in which the value of the damaged painting *Le Rêve* by Picasso was the matter at issue; at the time *Le Rêve* the most expensive painting ever to have been sold (\$139 million). Subsequent to the settlement of the Wynn case, he published an extensive article on the determination of loss in value for highly valuable works of art. This article is cited in Mr. Wiener's CV, which has been appended to this document. (See Attachment A.)

David Shapiro: Valuation and report preparation

David Shapiro brings to his appraisals a significant background as an art historian with specific expertise in contemporary art. The founding editor of the online contemporary art publication *Museo* and founding owner of Museo Publications, a business providing expert editorial solutions for art historical publications, Mr. Shapiro has played critical editorial roles in recent editions of a number of industry-leading higher education art history titles including Janson's *History of Art* and Marilyn Stokstad and Michael Cothren's *Art History*. His interview with Jeff Wall was published in the Museum of Modern Art's book *Jeff Wall: Selected Essays and Interviews* (MoMA).

An Associate Member of the Appraisers Association of America, Mr. Shapiro's appraisals are compliant with the USPAP. He holds a BA in Art History from Columbia University and a certificate in Appraisal Studies in Fine and Decorative Arts from New York University. He studied Modern Art in the PhD program in Art History at the Graduate Center of the City University of New York and has taught courses of Art History at the Fashion Institute of Technology, Pratt Institute, Parsons The New School for Design, and The Museum of Modern Art.

Mr. Shapiro has worked with VWA on several significant donation, damage and loss, and collateral loan appraisals.

Shaun Cooper: Appraisal coordination and financial review

Shortly after receiving his Master of Arts degree from L'Université Libre de Bruxelles in 1993, Shaun Cooper began working for a private Manhattan art dealer before opening a gallery specializing in twentieth-century decorative arts. As a dealer, Mr. Cooper has participated in international art fairs, bought and sold works privately and at public auction, and has developed a deep understanding of the market. His studies include a Bachelor of Arts degree from McGill University in Montreal, a certificate in French Language and Civilization from L'Université de Paris IV, and a certificate in Appraisal Studies in Fine and Decorative Arts from New York University. He is certified in the USPAP and is an Associate Member of the Appraisers Association of America.

Charles Wong, LL.M.: Review and compliance

Charles Wong, LL.M. provided technical and administrative review and assistance for the methodology used in this report. He has had over 20 years' commercial legal experience working as in-house counsel for listed corporations both in Australia and in the United Kingdom. He has co-authored, with Victor Wiener, an article on "The Role of Appraisers in the Process of Authentication and in Other Related Valuation Issues" and another article that has been published on the Chubb Collectors website concerning "Why Auction Estimates are not Appraised Values." Mr. Wong is certified in the USPAP.

Robert Leeds: CEO Silar Advisors, LP.: Technical, statistical, and financial analysis

Robert Leeds has over 25 years of investment experience largely focused on all aspects of large pools of underlying assets. His responsibilities included capital commitments, asset valuations, asset pricing, and advising clients on multi-billion dollar asset transactions. Prior to forming Silar Advisors in 2006, he spent 13 years at Goldman Sachs & Co in institutional sales and mortgage trading, 3 years at Nomura Securities responsible for the firm's residential whole loan trading platform, where he built a profitable conduit that acquired and securitized over \$20 billion in loans, and approximately 2 years at Fortress Investment Group as a Managing Director and partner in the Drawbridge Special Opportunities Fund, LP. Mr. Leeds is a 1985 graduate from Hamilton College.

Zhang Yi: Art market analysis

Zhang Yi began his career in the financial industry from 2006 to 2014 in HSBC and Goldman Sachs. Meanwhile, he headed the Research Department of HIHEY.COM, an e-commerce company specializing in art from 2011 to 2014. From 2012 to 2014, he was also the head of the Art & Finance Department in the China Art Market Research Center, where he was in charge of art economic research, art and finance research, and art wealth management.

Zhang Yi was a visiting lecturer at the Central Academy of Fine Arts in 2013 for "Art and Finance." He co-authored "China Art Market Research Report" and "China Art

Market Annual Report” from 2011 to 2013. Since 2013, he has been a consultant on the Chinese art market for the annual “TEFAF Art Market Report.” His writings and interviews on contemporary art and economics have appeared in *China Culture Daily*, *Bazaar Art*, *China Auction*, and *Bloomberg Weekly*.

Zhang Yi received an MA from the Art Administration Department of the Central Academy of Fine Arts in 2013 and BAs in Finance from Wuhan University and International Economics and Trade from Huazhong Agriculture University.

Jannette Barth, Ph.D.: Discount analysis

Jannette Barth, Ph.D. is the principal of J.M. Barth & Associates, Inc. Holding degrees from The Johns Hopkins University and the University of Maryland, Inc., Dr. Barth has worked in the field of economic research, demand analysis, and econometrics for over 30 years. She has held positions as Chief Economist, New York Metropolitan Transportation Authority, and as Consultant and Account Manager, Chase Econometrics/Interactive Data Corporation.

Dr. Barth has extensive experience in the economic analysis of the art market. As a practicing economist with a Certificate in Appraisal Studies in Fine and Decorative Art from New York University and a Certificate in American Art from Sotheby’s Institute of Art, Dr. Barth’s work in the art market ranges from the analysis of particular segments of the art market for litigation support to the analysis and calculation of blockage discount for galleries and artists’ estates.

Dr. Barth has taught economics courses at both the graduate and undergraduate levels and was a Senior Lecturer in the MA in Art Business program at Sotheby’s Institute of Art. She regularly lectures on art as investment and blockage discount, including seminars at appraisal conferences and for staff of Internal Revenue Service Art Appraisal Services.

James Callahan: Valuation, Asian art

James Callahan is Director of Asian Art for the auction house James D. Julia, Inc. He has expertise on wide-ranging aspects of Asian art, including Chinese, Japanese, Korean, Vietnamese, Khmer, Thai, Burmese, Ottoman Turkish, Armenian, Arabic, Persian, and Indian objects. He is also an appraiser of arms and armor, nineteenth-century European and American furniture and decorative arts, and eighteenth- to twentieth-century fine silver. A frequent lecturer and consultant to museums, historical societies, and independent art groups nationwide, Mr. Callahan has worked with the Brooklyn Museum to bring to auction over 200 important pieces of Southeast Asian art from the collection of Samuel Eilenberg.

Jason Christian: Valuation, photography

Jason Christian is a photography specialist and founding principal of the appraisal firm Christian | Reilly. Since 2004, he has appraised photographs for insurance, donation, and estate purposes for clients including the estates of Ansel Adams, Brett Weston, Cole Weston, Ernst Haas, and Yousuf Karsh and institutions including the San Francisco Museum of Modern Art; the Museum of Fine Arts, Boston; and the Los Angeles County Museum of Art. Mr. Christian holds an M.A. from Dartmouth College and a B.A. from the University of California, Santa Cruz. He maintains a current USPAP certification.

Sarah Cox: Valuation, ancient art

Sarah Cox has worked as a researcher of ancient art at the New York gallery Fortuna Fine Arts, Ltd. since 1999. A Romanist with specialist expertise in numismatics and mosaics, she has published and lectured extensively on a range of subjects in these areas. Dr. Cox holds a Ph.D. in Classical Studies from Columbia University and a certificate in Appraisal Studies from New York University. Her professional affiliations include membership in the Appraisers Association of America, the Archaeological Institute of America, the Society for Classical Studies, L'Association Internationale pour l'Etude de la Mosaïque Antique, and the Society of Architectural Historians.

Louise Devenish: Valuation, furniture and decorative arts

Louise Devenish is an appraiser and dealer specializing in American and European decorative art from the sixteenth century to the present. She is a consulting appraiser for the online marketplace 1stdibs as well as the founding principal of the professional arts community Devenish Group LLC.

Ms. Devenish has taught for over twenty years at both New York University, in the Appraisal Studies program, and at Parsons The New School for Design. She lectures widely at museums and historical societies and has served as the keynote speaker at the International Antiques Fair in Chicago. As an antiques dealer, she has participated in the International Confederation of Dealers at the Metropolitan Museum of Art. Ms. Devenish is recognized by the Appraisers Association of America as a Certified Appraiser in American and European decorative art. Her appraisals are compliant with the USPAP. She is also a member of the LAPADA: The Association of Art & Antique Dealers.

Marina Whitman: Valuation, Islamic art

Marina Whitman is an independent appraiser specializing in Islamic art. She has taught art history at Pennsylvania State University and John Carroll University and has curated for the Lowe Art Museum, University of Miami. She has published articles on Islamic ceramics. Dr. Whitman holds a Ph.D. from New York University's Institute of Fine Art

with a certificate in Museum Studies. She is an Accredited Property Appraiser from the International Society of Appraisers.

THIS REPORT

Content of this report

In conjunction with the steps taken in fulfillment of the assignment as listed and discussed below, VWA determined and settled with the Client the appropriate type of appraisal report in keeping with the USPAP.

As part of this process and in fulfillment of this assignment VWA also determined:

- the type and definition of value to be used;
- the appropriate marketplace(s) in which this value should be determined; and
- the valuation approach most appropriate for this report.

These are discussed in this report.

In conformity with the USPAP as discussed below, this Report is subject to extraordinary assumptions, hypothetical conditions, and limiting conditions as set out below.

USPAP conformity

As cited above, this Report has been prepared in accordance with the USPAP. USPAP comprises standards promulgated by the Appraisal Foundation in Washington, D.C. as the major codification of appraisal standards for all appraisal disciplines. USPAP is both recognized by Congress (as stated on the Appraisal Foundation logo) and generally accepted in the United States and abroad.

All significant information affecting the valuation conclusions has been disclosed within the body of the report. Other, secondary, information to which the report may refer is retained in a work file for reference purposes.

The methodology VWA has employed to support its valuation conclusions is in conformity with a USPAP Appraisal Report as discussed below.

SCOPE OF WORK

Inspection and research

Inspection

Normally one would hope to have a physical inspection of the Subject Property, although USPAP does not preclude production of an appraisal report without physical inspection. [NB the Internal Revenue Service frequently performs audits of appraisal reports without performing physical inspections].

Due to the time constraints for the production of this report, a formal inspection of the Subject Property was not possible.

However, in late April 2014, Mr. Wiener made a trip to Detroit especially to view the collection.

Research

In the process of preparing this report, VWA conducted extensive research:

- VWA reviewed numerous database records for auction sales.
- Within a short amount of time, VWA consulted numerous books concerning sections of the Subject Property. Due to the time restrictions of producing the Report, VWA is continuing to work on the bibliography and will continue to update the production of documents upon which VWA relied to form the opinions in this Report, as necessary.
- VWA consulted dealers of material similar to works of art contained in the Subject Property.
- Of significant importance, VWA reviewed reports submitted by others. These include:
 - Expert Report of Vanessa Fusco of Christie's Inc., dated July 8th, 2014 (***CHRISTIE'S REPORT***)
 - Expert Witness Report of Michael Plummer of Artvest Partners, dated July 8th, 2014 (***ARTVEST REPORT***)
 - Fair Market Value Appraisal written by the Winston Art Group, dated March 25th, 2014 (***WINSTON REPORT***)
- VWA also reviewed an undated listing of insurance values prepared by the Detroit Institute of Arts (***DIA INSURANCE LIST***) and the Houlihan Catalogue.

These documents are discussed in detail below.

EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL AND LIMITING CONDITIONS

Most appraisal assignments are subject to extraordinary assumptions, hypothetical conditions, and limiting conditions.

An extraordinary assumption is defined in USPAP, 2014-15 edition, substantively as an assumption which the appraiser has every reason to believe is true at the time the report is written, but if subsequently this is proven not to be the case, then the valuation conclusions reached by the appraiser should be reviewed and may be subject to change (see USPAP, 2014-15 edition definitions).

A hypothetical condition as defined in USPAP, 2014-15 edition, is:

That which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.

A limiting condition is a factor that defines and limits the type of work an appraiser is able to do within the agreed-upon appraisal assignment and scope of work deemed necessary for fulfillment of the assignment.

Extraordinary assumptions, hypothetical conditions, and limiting conditions are frequently interlinked.

The specific extraordinary assumptions, hypothetical conditions, and limiting conditions associated with this assignment are listed and discussed below.

Extraordinary assumptions

The extraordinary assumptions that VWA has taken in fulfillment of this assignment are as follows:

1. That the Subject Property has been accurately described within the DIA catalogue and that it will be recognized as such within the marketplace determined to be most appropriate within the context of this report.
2. That the Subject Property is in relatively good condition unless otherwise noted by the DIA or by other reliable sources.
3. That the Diego Rivera mural, *Detroit Industry*, can be removed successfully and that if necessary it would be removed by highly trained technicians with specialization in the removal of wall paintings.
4. That the charts given in Exhibit E of the Artvest Report are accurate.

5. In addition, VWA was told to assume that the Subject Property was not the subject of any encumbrances.

Hypothetical conditions

There are no hypothetical conditions connected with this report.

Limiting conditions

There are numerous limiting conditions connected with the production of this report. Among the most important ones are:

1. That VWA had less than two weeks to produce an appraisal report for approximately 60,000 works of art.
2. That VWA was provided unsearchable data by the DIA. Instead of providing a searchable database, similar to the type to be found on the DIA website, we were provided with 17,000 pages of a partially catalogued inventory of images, which could not be sorted, and each file was labeled "Unknown, American" instead of the true author and origin of the work of art.
3. That no file entries in the records provided note whether a work of art is signed or not. This in turn compromises an independent determination, based on the records, of whether an attribution is tenable or not. As such, VWA has taken an extraordinary assumption that the attributions in the files are indeed tenable since these attributions were made by the DIA's highly qualified curatorial staff.
4. In addition, the catalogue entries provided contain incomplete entries concerning dates or other inscriptions, significant publications and exhibitions, all of which can influence value. Thus the lack of time to research these matters ourselves constitutes a limiting condition.

VALUATION

TYPE OF VALUE USED FOR THIS REPORT: MARKETABLE CASH VALUE

The type of value deemed most appropriate for this report is Marketable Cash Value which is defined as:

The value realized, net of expenses, by a willing seller disposing of property in a competitive and open market to a willing buyer, both reasonably knowledgeable of all relevant facts, and neither being under constraint to buy or sell." (*All About Appraising: The Definitive Appraisal Handbook* [Appraisal Institute of America

and The Educational Foundation of the Appraisers Association of America, 2003], p. 219)

The reason for the selection of this value is that this Report was originally commissioned by ACG whose purpose was to have proper appraisal documentation to generate a loan for the DIA collection.

Under such circumstances a value which is net of transaction costs is appropriate since, if the borrower were to forfeit on loan payments, a lender would confiscate the collateral (art in this case) and sell part or all of the property used as collateral to satisfy the debt. Consequently an appropriate value is one which reflects how much the lender would actually receive net of commissions rather than how much the sales agent for the lender, such as an auction house, would receive inclusive of commissions.

It should be noted that other values are used in other reports.

The Winston Report states that they used "fair market value" (*FMV*) which is defined in the body of the report as:

...the price that property would sell for on the open market between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts. Note that in this case fair market values are inclusive of buyer's premiums. (Winston Report p. 3)

Presumably within the Winston Report definition, commissions due to the sales agent such as the auction house are also included as is commonly the case in the definition of fair market value.

The Christie's Report states that they have used fair market value, but they do not provide a definition of this value. In addition, they do not consider any buyer's premium, which is an essential important part of fair market value. (Christie's Report, p. 6)

The Artvest Report does not define which value was used.

The DIA Insurance List does not state which value has been used. Presumably it used Retail Replacement Value (*RRV*), which is the most common value used when art is scheduled on an insurance policy.

Retail Replacement Value is generally defined as:

"A property's highest value, usually for insurance purposes, that is defined as the highest amount in terms of U.S. dollars that would be required to replace the property with another of similar age, quality, origin, appearance, provenance, and condition within a reasonable length of time in an appropriate and relevant market. When applicable, sales and/or import tax, commissions, and or premiums are included in this amount." (*Appraising Art: The Definitive Guide* [New York: Appraisers Association of America, p. 438])

APPROACH SELECTED FOR THIS REPORT: THE MARKET COMPARISON APPROACH

USPAP requires appraisers to determine which valuation approach is necessary:

The three standard approaches to valuation cited in USPAP are the Market Comparison Approach, the Cost Approach, and the Income Approach. (See USPAP 2014-15, Standards Rule 7-4)

VWA has selected, as the most appropriate approach for this type of valuation, the Market Comparison Approach (***MARKET COMPARISON APPROACH***), in which the Subject Property has been compared to other similar and like objects which have sold or have been offered for sale as closely as possible to the Effective Date of Valuation stated above, in the marketplace designated as most appropriate.

THE OTHER APPROACHES CONSIDERED

VWA has also considered the other two traditional approaches to valuation, the Cost Approach (***COST APPROACH***) and the Income Approach (***INCOME APPROACH***).

The Cost Approach obliges the appraiser to take into consideration the amount of money required to re-fabricate the Subject Property if the Subject Property is of a type that lends itself to re-fabrication. The Subject Property could not be re-fabricated if for no other reason than the fact that there are numerous artists, many of whom are no longer living.

The Income Approach for the valuation of the Subject Property has been rejected as inappropriate to this assignment because the Subject Property, to the best of our knowledge, has no history of having been used primarily to generate income.

THE MOST APPROPRIATE MARKET FOR VALUATION

Works of art can be sold in a variety of marketplaces. The two most prominent marketplaces are the public auction marketplace and the private gallery marketplace. For the purposes of this appraisal, VWA believes the auction marketplace to be the primary venue for valuation purposes of the Subject Property.

With this in mind, VWA has examined both marketplaces extensively. However, it should be noted that dealer representations are often anecdotal and are frequently hard to verify since such sales are confidential, and even redacted versions of sales receipts are difficult to obtain unless by court order. In addition, private dealers in the United States feel confined by the confidentiality provisions of the Gramm-Leach-Bliley Act of 1999.

In addition, of primary consideration is the fact that in a loan situation, if the borrower such as the City were to default on loan payments, a lender would most likely want to sell the collateral as quickly and efficiently as possible. While consignment to private dealers may be an option for some of the works constituting the public property, the vast majority of the works would most likely fetch higher prices at public auction in a prominent sale highlighting the curatorial excellence of the DIA collection. Consequently, the most appropriate marketplace, without doubt, would be a public auction where large market exposure and competitive bidding would take place.

VALUATION METHODOLOGY

In this section the general methodology followed by VWA is set forth and observations are made by contrasting the valuation methodology perceived to have taken place in the other reports.

General methodology followed by VWA in determining value as reflected in the Report

As previously stated, VWA is comprised of a number of specialists, each highly qualified in the sector of valuation to which they are assigned primary responsibility (see credentials of appraisers given above).

While each specialist performed initial valuations for specific sectors, these valuations were only a point of departure. After the valuations were submitted to VWA they were reviewed by the team; in some cases further research was performed after review. In brief, the methodology for determining value by VWA is organic taking into consideration points made by specialists and comments made by colleagues. Final valuation figures are arrived at after intense review.

By nature of the assignment, the VWA appraisal has set about to value the entire collection of the DIA operating under highly limiting conditions as stated above and specified further below.

As stated above, the VWA team did not have the opportunity to view the Subject Property physically although the DIA collection was viewed by Mr. Wiener in situ before he was offered the opportunity to appraise the collection.

As such the team had to work with whatever resources were available including:

- Compromised data submitted by the DIA as discussed above.
- For the most, part thumbnail photographs taken from the DIA website. Although some additional photographs were supplied electronically by the DIA, the order in which they were supplied was so chaotic as to make them virtually unusable. The quality of the images used was not uniformly high resolution.

- VWA did not have the opportunity to discuss the collection with curators.
- VWA was not given access to the DIA files. As a result, information about significant publications and exhibitions, both of which can influence value was not shared by the DIA.

As a result of these limitations our report is classified as “preliminary.” However, VWA feels secure in setting forth the values in this report in keeping with the nature of a preliminary report and in keeping with the requirements of USPAP.

General methodology followed by Christie’s in determining value as reflected in the Christie’s Report

As is common with Christie’s, the Christie’s Report was done by a team of appraisers, each member coordinated by Vanessa Fusco of the Appraisal Department.

As stated in the Christie’s Report, team members visited Detroit on numerous occasions, reflected in a billing of \$65,000 for expenses.

The appraisal, as stated in the Christie’s Report, used fair market value, but since no commissions were included in the range of values ascribed, the ultimate values are more in keeping with marketable cash values – although no accommodation was made to the fact that a seller’s commission would normally be due to the auction house, this latter point may be moot since auction houses frequently do not charge important consignors, such as the DIA, a seller’s commission.

However, what should be noted is that while using a range in value, as is common in auction estimates, Christie’s assigned an extremely wide range, often as wide as over 100% between the low and the high value. While this may be understandable for objects where a value may require substantive analysis and the appraiser is not willing or able to perform such a task, it is hardly the norm in appraisal reports. As such, this factor places the Christie’s Report in a position in which its credibility is called into question.

At no point does Christie’s state that the Christie’s Report is compliant with USPAP. While USPAP does allow for a range in value, such a wide range is definitely outside the norm.

General methodology followed by Michael Plummer of Artvest in determining value as reflected in the Artvest Report

The Artvest Report was written by Michael Plummer, who signed it.

Mr. Plummer is not an appraiser. The Artvest Report is labeled an “Expert Witness Report” but since he states values which he formulated for the major part of the report, this would qualify as an appraisal under USPAP (see USPAP definitions, 2014).

Although the Artvest Report relied upon the input of experts, some of whom are known to VWA to be of high quality, the nature of many of the DIA pieces required the benefit of consultation by a committee for quality control.

While Mr. Plummer uses appraisers as consultants, the use of the data they have supplied is entirely his. As such the Artvest Report lends itself to uncertainty as an appraisal report.

The Artvest Report is not compliant with USPAP, nor does it state that it is. Some of the consultants are USPAP certified but they only supplied undefined values for Mr. Plummer to use as he saw fit. Unlike VWA, the values stated in the Artvest Report are not the products of team consensus since each value carries the name of the consultant who supplied it. (See documents appended to the Artvest Report).

It is not the intention of this Report to serve as an “Appraisal Review” as defined in Standard 3 in USPAP; as such a full description of how the Artvest Report is not compliant with USPAP is not given here but can be supplied if requested by the court.

VWA has mentioned the methodology the Artvest Report used determining individual or unit values – i.e. using individual consultants to make those determinations on their own.

The major part of the Artvest Report discusses general valuation considerations Plummer feels one should take into consideration in determining the total value of the DIA collection. It is VWA’s intention to address these considerations as they appear within the methodological framework VWA uses to make its own determination of the total value of the DIA collection.

It should be mentioned at this point that the only appraisal reports VWA has seen so far in which the total value of the DIA collection is discussed are this Report and the Artvest Report. The other reports reviewed just address individual objects in the DIA collection but not the whole collection.

THE IMPORTANCE OF THE DIA COLLECTION

The DIA is one of the largest and most significant art museums in the country, comprised of approximately 60,000 works of art from a range of cultures throughout the globe. It is one of the country’s few encyclopedic art museums, representing the art of most major cultures from early ancient history to the present. The collection includes works of ancient Greek, Roman, Mesopotamian, and Egyptian art, as well as Islamic, African, Chinese, and Oceanic art and major collections of American art, European art, Modern art, and decorative art. It contains masterpieces by such artists as Pieter Bruegel,

Caravaggio, Pablo Picasso, Auguste Rodin, Mark Rothko, Jacob van Ruisdael, Vincent van Gogh, and Andy Warhol. DIA also houses the armor collection of newspaper baron William Randolph Hearst.

As noted, the scope and breadth of the collection is extraordinary. Although it may hold fewer objects than other museums, the refined curatorial selection is unparalleled for a museum of its size.

The collection was assembled at a time when Detroit had funds beyond what most museums had and was able to attract curators of worldwide renown. A review of the holdings invites comparison with the holdings of the best of other museums anywhere in the world. This is an overwhelming valuation factor which serves as the proper orientation for this appraisal report.

The museum was established in 1885 as a result of the initiatives of another newspaper magnate, James Scripps, and his manager William H. Brearly. Among the institution's numerous prominent donors have been many leaders of the automobile, including the Ford family, particularly Edsel Ford, the Dodges, and the Firestones. Other important donors include Governor and U.S. Senator Russell A. Alger, U.S. Senators James McMillan and Thomas W. Palmer, businessman Dexter Ferry, distiller Hiram Walker (Canadian Club Whiskey), industrialists Christian Buhl, Charles Lang Freer, and John Stoughton Newberry, and department store magnates C.R. Mabley, Cyrenius A. Newcomb, Sr., and Robert Hudson Tannahill of the Hudson's Department Store fortune, who, upon his death, bequeathed a particularly large and important collection of European art, including Modern masters Paul Cézanne, Edgar Degas, Paul Gauguin, Pablo Picasso, and Georges Seurat. A pioneer in collecting taste, DIA was the first public collection in the United States to include works by Van Gogh and Henri Matisse.

The DIA collection is housed in 658,000 square feet of gallery space in over 100 galleries in a 1927 Beaux-Arts building designed by Paul Philippe Cret, with a portion of the collection kept in storage. Among the most celebrated rooms in the building is the Rivera Court, which contains Mexican painter Diego Rivera's monumental frescoes *Detroit Industry*, a cycle that commemorates the work that fueled the ascendancy of a great American city.

THE EFFECTS OF SELLING MUSEUM AND CELEBRITY ART

Museum provenance

It is apparent that works of fine and decorative art, and other collectibles from museums and other significant collections perform much better at auctions than similar objects lacking notable provenance. This tendency manifests itself in the sales of objects that differ greatly in kind and value, similarly in major auctions of international importance, and small regionally scaled auctions.

An indication of the substantial potential premium that would be given to the collection of the DIA collection, were it to be auctioned, can be found in the Cleveland Museum of Art's January 2011 sale of two dozen European old master paintings. In an article in that city's paper, *The Plain Dealer*, Steven Litt wrote of this sale, the largest sell-off from its collection in more than a half-century (...):

From a market perspective, **collectors love things with a museum provenance** and hopefully, [the sale] will do well for the museum," said Christopher Apostle, a Sotheby's senior vice president and director for old master paintings in New York. (Steven Litt, "Cleveland Museum of Art to auction 32 old master paintings at Sotheby's," *The Plain Dealer*)

In fact, the sale performed 45% better than expectations, earning \$450,000 more than the high estimate. (Steven Litt, "Cleveland Museum of Art earns more than expected from Sotheby's sale of selected old master paintings," Feb. 1st, 2011). The very strong performance of the sales from the Cleveland Museum of Art, no less at a moment when the art market was still in recovery from the financial crash of 2008-09, attests to the premium that buyers are willing to pay for works from great collections such as major museums.

In a 2007 article "Christie's is Cagey about Maier Museum Provenance, Discloses the Rose," Lee Rosenbaum identifies the same tendency:

Auction houses always tout museum consignments in their presale press releases, because of the **cachet and higher market value that distinguished provenance confers**. (Lee Rosenbaum, "Christie's is Cagey about Maier Museum Provenance, Discloses the Rose," *CultureGrrl*, November 1st, 2007)

In a report for Christie's Features, Joshua Glazer and Alexis Glashot discuss this tendency as well:

Deaccessioning sales, which occur infrequently and tend to be part of a carefully tailored collection-management strategy, **provide private clients with a unique opportunity to acquire works with impeccable museum provenance and often a substantial history of research and publication**, from some of the most hallowed and prestigious collections in the world. (...) **Our June New York Sale saw the successful sale of 11 works from the Metropolitan Museum of Art**, sold to benefit the acquisitions fund of the European Paintings department. The group, which was 100% sold, was led by Hubert Robert's *The Ruins* and *The Old Bridge*, which realized \$1,874,500 (£1,219,310). (Joshua Glazer and Alexis Glashot, *Market Barometer: Old Master Paintings*, spring 2012)

Jesse Hamlin identifies the same tendency in a discussion of a sale of works from the M.H. de Young Memorial Museum:

A couple of thousand objects were put up for auction after being culled from the collections at the M.H. de Young Memorial Museum in Golden Gate Park and the California Palace of the Legion of Honor. About 95 percent of them were snapped up at Butterfields in San Francisco and online yesterday and Monday in auctions that included objects from the Art Institute of Chicago and other institutions. Most sold for more than their estimated value.

"That's very good news," said museums Director Harry Parker. **"I think there was a premium paid for objects that have a museum provenance. That gives them a cachet."** (Jesse Hamlin, "Museum pieces auctioned / De Young, Legion items get top dollar," San Francisco Chronicle, June 27th, 2011)

The premium paid for a museum provenance can also be seen in the sale of Rufino Tamayo's *Watermelon Slices*. In an article for *Blouin Art Info*, Judith H. Dobrzynski predicted the effect of the MoMA provenance, which proved true; the painting sold for \$2,200,000, which was \$200,000 above the high estimate. Dobrzynski wrote:

Give Sotheby's credit for salesmanship: today, announcing **the sale of a painting by Rufino Tamayo, which is being deaccessioned by the Museum of Modern Art**, the auction house called *Watermelon Slices* "a major work...depicting one of his signature themes."

Estimated at \$1.5 million to \$2 million, it will be in the Nov. 16 auction of Latin American Art. Carmen Melian, the Latin American expert at Sotheby's, said "This is one of the most important Tamayo watermelon paintings to appear on the market for several years. **Collectors are sure to gravitate towards a work of this iconic subject matter from an important period that also boasts such distinguished provenance.**" (Judith H. Dobrzynski, "MoMA To Sell Tamayo, With Acquisition Policy Implications," *Blouin ArtInfo*, October 19th, 2011)

In a 2011 article for *The New York Times*, Carol Vogel notes the tendency of museum provenance to be used as a sales tool:

It is clear from the Impressionist and modern art catalogs that a number of museums, eager to clean house, are willing to take a gamble on the market, hoping some of today's new buyers — predominately from Asia, Russia and the Middle East — **will be impressed by a museum provenance. For auction house experts, that's a compelling sales tool.** (Carol Vogel, "A Bouquet of Offerings to Test Uncertain Waters," *The New York Times*, October 28th, 2011.)

Vogel made a similar point seven years earlier, addressing the impact of MoMA provenance:

The top seller was Pollock's "No. 12, 1949," one of his classic drip paintings. Five bidders fought over the oil on paper, which sold to a telephone bidder for \$11.6 million, **well above its \$7 million high estimate and a record for the artist**. Practically no drip paintings are available; **this one came with an exceptional provenance: the Museum of Modern Art had owned it for 52 years**. (Carol Vogel, "Contemporary-Art Bidding Tops \$102 Million in Sales," *The New York Times*, May 12th, 2004)

Suzanne Muchnic noted the same tendency in an article the same year, identifying the capacity of museum provenance to have a significant effect.

"Ultimately a painting sells based on its merits -- the quality of the work, whether it stems from the artist's greatest period, the condition of the work, whether it has been on the market recently," Eykyn says. **"But clients like to feel vindication of their taste. To be able to say a work has been in the collection of the Museum of Modern Art the last 40 or 50 years achieves that."**

Amy Cappellazzo, Christie's chief of Post-War and Contemporary art, also has MoMA consignments -- a small drip painting by Jackson Pollock, valued at \$5 million to \$7 million, and a painting of a cow by Jean Dubuffet, expected to fetch \$2.5 million to \$3.5 million.

"The MoMA provenance adds cachet for sure," she says. **The relatively obscure Anderson Fine Arts Center in Anderson, Ind.** -- which hopes to reap \$1.8 million to \$2.5 million from the sale of Edward Ruscha's 1964 painting "Damage," donated to the center in 1972-- **doesn't have the same effect. But the Anderson name can't hurt**, even though some of the proceeds are likely to fund operations not condoned by the American Assn. of Museums' code of ethics. (Suzanne Muchnic, "Art; Banking on big names; More than \$500 million worth of art is up for auction in New York. Quality is important, but illustrious ownership can add real value to the sale price," *Los Angeles Times*, May 2nd 2004)

The effect of museum provenance on the market is known to be so significant that some dealers take great measures to ensure that works that they market have it. Joy Lo Dico wrote of this phenomenon in a recent article for the *London Evening Standard*:

This February Olyvia Kwok was in the sales room at Sotheby's for its Contemporary Art Auction. Two other Basquiats had sold well above their estimates already but, when it came to the Water-Worshipper canvas, the

bidding was pedestrian. The auctioneer's hammer was falling when Kwok, dubbed the Chinese It-girl of the art market, put in one last bid for £2.49 million. She got her Basquiat, and below the expected price. "I think it was a bargain," she told a journalist as she left the salesroom, and reckoned it would double in value over the next 18 months (...)
As for the Basquiat and the Twombly, Kwok has a plan. "I got the Basquiat for \$4 million. It is now insured for \$12 million. **We are going to place the painting in a museum so it will have a better provenance, because everyone likes things with more academic value.** Once placed we will talk to Basquiat experts, find out some more information, someone will write about it, and **we will put it back on the market for different collectors.**" (Joy Lo Dico, "I look at artists like a commodity balance sheet: art dealer Olyvia Kwok on picking paintings and being sued by Sotheby's," *London Evening Standard*, July ^{3rd}, 2014)

The tendency for museum provenance to elevate value can be found in art of diverse type. A 2012 article for BBC News, "Vase used as doorstop raises \$1.3m at auction," demonstrates the phenomenon to take place in the sale of Chinese art:

Dr. Tao Wang, who was recently appointed head of the Chinese Works of Art Department at Sotheby's New York, said he was "thrilled" with the result of the first auction he has attended there. "We saw exceptional demand across the sale which drove the total to such heights," said Wang. **"Collectors from around the world were drawn to high-quality pieces with distinguished provenance, particularly that of museums."** ("Vase used as doorstop raises \$1.3m at auction," BBC News, September 14th, 2012)

In a *Washington Post* article "Museum Quality," Jane Friedman notes that the Baltimore Museum of Art provenance will benefit the sale of pre-Columbian works:

Museums, like homeowners, occasionally need to winnow their possessions. But **when a museum's goods are put back on the market, their value usually is increased.**

Weschler Auctioneers and Appraisers, the Washington-based auction house, this weekend will sell more than 130 lots of pre-Columbian as well as African and Native American objects, most of which were in the collections of the Baltimore Museum of Art.

"These works have been authenticated, and what we call provenance always affects the value," says Frederick Lamp, the museum's curator of the arts of Africa, Asia, the Americas and Oceania. (Jane Friedman, "Museum Quality," *The Washington Post*, October 1st, 1998)

The same effect can be seen in the sale of Western antiquities, as addressed in Elspeth Moncrieff's 2006 article "Antiquities Sold to Pay New Art Bonanza in *The Daily Telegraph*:

The ongoing high-profile trial in Rome of Marion True, former antiquities curator at the Getty, on suspicion of conspiring to buy illegally excavated works of art for the museum, has uncovered a labyrinth of dealers, curators and collectors allegedly involved in handling illicitly excavated antiquities.

The trial has put the wind up everybody, and curators can no longer turn a blind eye to provenance. **Buying publicly at a vetted auction in which each item has a published museum provenance gives the buyer complete security - so these works are particularly desirable.** (Elspeth Moncrieff, "Antiquities Sold to Pay New Art Bonanza," *The Daily Telegraph*, November, 28th, 2006)

The elevating effect of museum provenance is not even particular to high-value fine art. In an article for *Forbes*, Missy Sullivan addresses this point:

You don't have to be in the market for a Monet or a Manet to benefit. If you look closely, you'll find museum property sprinkled among sales of almost every category (...) Bonus: When you buy a museum piece at auction, it comes free of sales tax.

A museum provenance can exercise a halo effect on mediocre work, giving it a higher hammer price. You can safely assume a museum piece has been well cared for and researched. (Missy Sullivan, "Yard Sale of the Gods," *Forbes*, December 24th, 2001)

The tendency of museum provenance can be seen in the sale of historical memorabilia. Steve Campbell discusses the museum provenance effect in a sale of Robert E. Lee memorabilia:

In 1867, Lee donated the items to help out an orphanage in Baltimore, Quinn said. The items were eventually bought by Civil War collector William Beverly Bristol Jr. of Baltimore, who died in 1999. That year, his heirs loaned the items to the National Park Service's Arlington House, Lee's former family home that became the Arlington National Cemetery. But an illness in the owners' family owners forced them to put the items up for auction.

When Kathy Huxhold of Muncie, Ind., first contacted Quinn about selling the items collected by her uncle, he told her they held enormous potential. **"It was Robert E. Lee and we had museum provenance – this had the power to create a perfect storm at auction,"** Quinn said, noting that 1,500 bidders signed up for the bidding. "We had estimated it at about \$20,000 but the bidding started at \$25,000. When it ended at \$55,000, it

was a tear-jerking moment to do something for a client,” he said. (Steve Campbell, “Prolific Fort Worth Civil War collector scoops up rare Robert E. Lee items,” *The Star Telegram*, February 2nd, 2014)

Celebrity sales

The effect of museum provenance is not unlike that of celebrity provenance, which tends to augment value dramatically.

The Elizabeth Taylor sale at Christie’s New York on December 3rd to 17th, 2011 made \$156,756,576. Every item that was offered sold. The evening sale of Taylor’s jewelry alone achieved \$115,932,000, becoming the most valuable jewelry auction in history. Seven new world auction records were established during the sale including price per carat for a colorless diamond and for a ruby. These record prices owed in large part to the golden provenance of having been part of Taylor’s collection.

This provenance contributed to unexpectedly high achieved prices for the fine art in Taylor’s collection as well.

For example, Vincent van Gogh’s landscape painting *Vue de l’Asile et de la Chapelle de Saint-Rémy* illustrates the celebrity effect. Relatively modest in scale, bland in color, and prosaic in composition, this painting was offered with an ambitious estimate of £5,000,000 - £7,000,000 (\$7,885,000 - \$11,039,000) at Christie’s London in February 2012. It sold for £10,121,250 (\$15,991,575), more than doubling the low estimate, despite its relative deficiencies; this high realized price was in large part determined by the provenance. The celebrity factor can be discerned when comparing this painting to other relatively minor van Gogh oil paintings of landscapes that sold in the same general time period. For example, the slightly inferior painting by van Gogh *Pont de Clichy* sold for vastly less money (\$6,130,919) at Koller in Zurich in June 2013. And the superior painting by van Gogh *Parc de l’hôpital* sold for less (\$13,302, 947) in June 2010.

The collection of Yves Saint Laurent and Pierre Berge was also incredibly successful, setting numerous records including the biggest auction ever held in Europe. The auction made 374.4 million euros (\$477 million with fees), dramatically surpassing the estimate of 200 million euros to 300 million euros. Nearly 96% of the lots sold, an extremely high sale rate. That success of this auction, which was the largest-grossing auction of a private collection, particularly in relation to its estimates, attests to the premium that collectors are willing to pay for work that has impressive provenance.

The capacity for celebrity provenance to draw extremely high prices at auction is perhaps most evident in the auction of Jacqueline Kennedy’s personal memorabilia, which fetched astronomical prices in the 1990s. Collectors paid \$772,500 for her golf clubs, and \$211,500 for her fake pearls, among numerous other such prices, all of which attest to the premiums that collectors will pay for provenance. (See James Barron, “Reporter’s Notebook; Oohs, Aahs and Millions in Frenzy to Buy Camelot,” April 26th, 1996.)

Damien Hirst sold 100% of his lots on September 16th, 2008 at Sotheby's London, setting the record for a one-artist auction the day after Lehman Brothers collapsed. The sale, which made \$200.7 million, soaring past the high estimate of \$177.6 million is another example of the power of celebrity status. (See "Maev Kennedy, £111 Damien Hirst Total Sets Record for One-Artist Auction," *The Guardian*, September 16th, 2008.)

The Christie's Report is silent on the importance of the museum provenance which is related to the celebrity provenance factor discussed above.

Sale of any century

As art appraiser Elizabeth Gaidos says:

I was Assistant Curator of American Art at the DIA many years ago. The collection is a world treasure, not just the subject of a regional dispute. A museum collection of this stature is a compilation of the curatorial expertise and donor contributions of decades. It has a life and character developed over time and is not merely an assemblage of individual properties." (posted on LinkedIn July 18th, 2014)

The sale of the entire contents of the DIA would be unprecedented in scope. Given the extremely high quality and curatorial consistency of the DIA collection, even an auction sale of selected masterpieces from the museum would perform better than any sale in history, including major sales centuries ago, such as the dispersal of royal treasures of the French Revolution or the Walpole sale to Catherine the Great in the eighteenth century.

In view of this extensive evidence, it is instructive to contrast the comments of the Artvest Report on this issue. Not only does the Artvest Report appear not to take into consideration the exalted factor of provenance but it belittles it.

The Artvest Report says:

General gifts and other museum acquisitions often involve property with little or no sales value and/or scholarly or historic value only. Also in many instances donors give entire collections, which include poor to mediocre property side-by-side with good property. (Artvest Report p. 19)

While this may or may not be the case, what the Artvest Report ignores is that when and if museums receive gifts of low value, they more frequently than not sell unwanted objects soon after receiving them.

Such sales are condoned by the American Association of Museums provided that the proceeds of such sales are given to an acquisitions fund and are not dispersed for other purposes.

This is a fact that the Artvest Report ignores when discussing the recent sale by the Delaware Museum of Art of a William Homan Hunt painting, illustrated in the Artvest Report. (See Artvest Report, pp. 32-34)

There is also a major valuation flaw in the analysis of works under \$5,000 in both the Artvest Report and the Christie's Report.

The Artvest Report states:

For property with a value below \$5,000 I attributed an effective value of \$0, as is my opinion that the cost of cataloguing, handling, administering and finding buyers for this property will be equal or greater than the cost of selling it. For that reason this is a price level of property that Sotheby's and Christie's, under normal circumstances try to avoid selling. (Artvest Report p. 19)

The Artvest Report accepts without question Christie's classification of these works. However, Christie's did not provide a list of the works under \$5,000 with illustrations, and so, the user of their appraisal report has no way of verifying whether these works are indeed under \$5,000. In light of the fact that Christie's has not valued these objects, the total number of objects valued in their report may be closer to 1,500 rather than approximately 2,700, which they say they have valued. Yet, the Artvest Report accepts these numbers without question and incorporates them, and in so doing, skews the results.

Not only is this point fallacious for its refusal to account for the major cumulative value of works under \$5,000 in the DIA collection, but it is untrue in regard to the business practices of Sotheby's and Christie's, both of which sell works under \$5,000. Many of these works, such as his Polaroid photographs offered in Christie's online "Eye Candy" sale have estimates as low as \$1,000-\$2,000.

Sotheby's is also working in the lower end of the art market, having recently announced a partnership with eBay for online sales. (op cit. Carol Vogel and Mike Isaac, "A Warhol with Your Moose Head? Sotheby's Team with EBay," *New York Times*)

The Artvest Report also implies that selling museum works which are not condoned by professional associations result in lower realized prices, as evidenced by the Delaware Museum sale which took place in London, referenced above, which most likely was due to an aggressive estimate by Christie's. (See Artvest Report, p. 33).

Ironically, on July 14th, 2014, a few weeks after the Delaware Museum sale, the *New York Times* published a story of how an Egyptian statue de-accessioned from the Northampton Museum in England made approximately \$27 million in London above its estimate of \$7-11 million, despite the fact that both the Egyptian government, local residents and British museum officials tried to block the sale on "moral grounds" (using the terminology of the *New York Times*).

One of the most egregious errors in the Artvest Report is the treatment of Diego Rivera's *Detroit Industry* frescoes. The Artvest Report says that the frescoes "cannot be removed with cutting them off the wall and inflicting serious damage, and incurring significant cost." [*sic* – he presumably means "without cutting them..."]. While of course there would be costs associated with moving the frescoes, it is certainly possible, and it is fully in keeping with the regulations of National Park Service, which organization has named the murals a national hallmark and explicitly noted that this designation "does not shield the property from ownership changes or prevent an owner from making any other changes they wish"; a review process is in fact only needed if federal funding is to continue (See "Iconic Diego Rivera mural at DIA named National Historic Landmark," *Detroit Free Press*, Apr. 24th, 2014)

In fact, frescoes are commonly moved from their original sites to museums. There is currently an exhibition in Ravenna, Italy titled *L'incanto dell'affresco* ("The Charm of the Fresco: Detached Masterpieces from Pompeii to Giotto, from Correggio to Tiepolo"). The show is comprised of 110 detached frescoes from antiquity to the nineteenth century. (See Attachment G: Article on *L'incanto dell'affresco*)

It is common for museums to display detached frescoes in this country as well. One prominent example of this is Domenico Ghirlandaio's detached fresco *Saint Christopher and the Infant Christ* in the Metropolitan Museum of Art. At the same institution, one can see several entire rooms of detached frescoes from villas such as Boscoreale and Boscotrecase; these paintings, buried under the lava of Mount Vesuvius, suffered a fate far worse than surgical modern processes that necessarily attend the transport of major frescoes, and yet, they are in very good condition and set up in situations that approximate the original rooms. The removal of frescoes in a setting such as a major museum today would be performed with state-of-the-art technology that would leave the works in essentially perfect condition in a new location.



Domenico Ghirlandaio, *Saint Christopher and the Infant Christ*

The relocation of room-scaled works is not particular to frescoes. Entire rooms are regularly moved without damaging effect. Consider Whistler's Peacock Room, which was moved from Freer's Detroit mansion to the Freer Gallery of Art in Washington, DC. Consider, similarly, Louis Comfort Tiffany's Tiffany Chapel at the Morse Museum in Winter Park, Florida, which was moved three or four times prior to its current installation. Museums sometimes move entire buildings to great distances; consider the Temple of Dendur, which was moved from Egypt to the Metropolitan Museum of Art. With such examples in mind, the reconstruction of Rivera's masterful frescoes in a comparable museum is entirely plausible.

Later in the Artvest Report, in the section for individual valuations, Betty Krulik says "the works would be destroyed if they were removed from the building, therefore the value is 0 OR the value of the real estate." As discussed above, there is no indication that the works would be destroyed or even damaged if they were to be moved, and therefore these works, major masterpieces by the most important Mexican artist in history, have a value far in excess of zero. And since, as discussed above, the Rivera murals are of a class of property that can be relocated with relative ease, their value is not the value of the real estate.

STATE OF THE CURRENT ART MARKET

The time constraints of producing this preliminary and summary report preclude a detailed analysis of the state of the art market at present. However, a few general comments are in order.

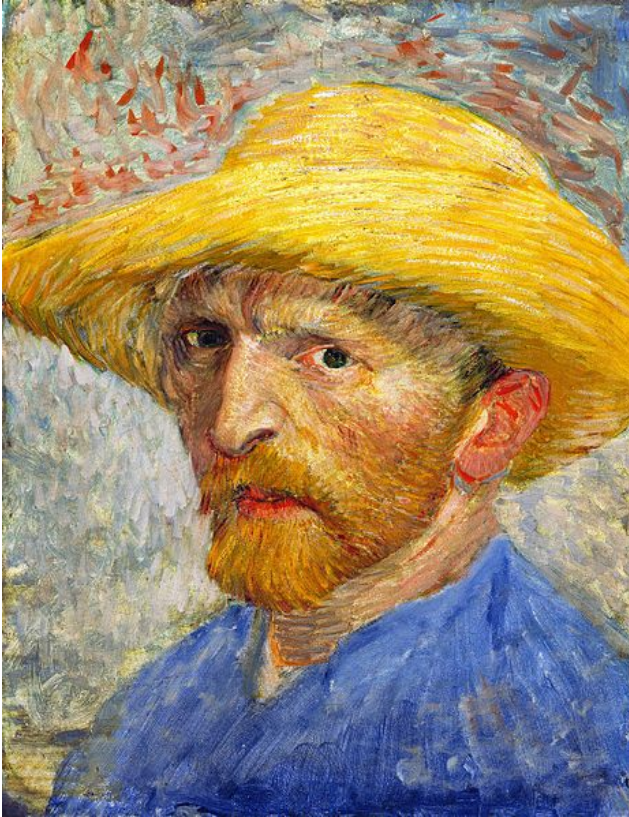
At the moment, as in the past, the art market tends to be strong for works of art of significant quality. The curatorial care which the DIA has exhibited over during the last century in particular has produced an extraordinary collection of world renown as stated by Elizabeth Galdos above.

Among the masterpieces in the DIA collection are:



Pieter Bruegel, *The Wedding Dance*

This major painting by Bruegel depicts a wedding festivity from his typical bird's-eye vantage point with a characteristic plethora of detail. It is among the best surviving examples of later Northern Renaissance painting and among this master's most important paintings.



Vincent van Gogh, *Self-Portrait with Straw Hat*

This self-portrait typifies one of the most important genres for the legendary Post-Impressionist. The self-portrait has a three-quarters pose, psychologically expressive gaze, pungent saturated color, and long dappled brushstrokes, all of which are characteristic of the artist's self-portraits.



Rembrandt van Rijn, *The Visitation*

This is a major religious painting by Rembrandt van Rijn, the most important Dutch painter of the seventeenth century. The architecture is similar to that of Rembrandt's masterpiece, *The Nightwatch*, painted around the same time but cut and altered in the nineteenth century. *The Visitation* remains unaltered, a very important consideration in valuing.



Frederic Church, *Cotopaxi*

This painting exemplifies the representation of the sublime in nineteenth-century American landscape painting. It epitomizes the artist's signature panoramic vantage

point, and stands out even from comparably well-painted Church paintings in its brilliant color.



Caravaggio, *The Conversion of the Magdalen*

The painting was made for Caravaggio's first major patron, Cardinal del Monte. Its realistic portrayal of ordinary people as models, dramatic approach to storytelling and strong value contrasts embody what a collector would expect in Baroque painting. The brilliantly painted elliptical mirror and its reflection served as an important point of departure for Baroque still life painting, and the gestures influenced many Baroque artists such as Georges de La Tour.



Mark Rothko, *Orange Brown*

This work is a classic example of Mark Rothko's style, in which large minimally modulated rectangular shapes float in an abstract space. This style of painting, called color-field painting, is a sub-style of Abstract Expressionism, and Rothko was its most prominent practitioner.



Henri Matisse, *The Window*

This painting features a classic subject for Matisse, namely an interior with a window. Characteristic of his painting style, flat planes of color are emphasized. The DIA was the first public collection in the United States to include a Matisse.



Pablo Picasso, *Melancholy Woman*

This is a significant Blue-Period painting by Pablo Picasso. The works for this series, his first mature body of work, feature cool colors, melancholy subjects, and significant attention to linear elements, all of which are present in this painting. As such, this is one of the most important paintings of Picasso's Blue Period.



Snake-dragon, symbol of Marduk, patron God of Babylon panel from the Ishtar Gate

This extremely rare glazed-brick relief is from the Ishtar Gate, a major Neo-Babylonian structure built by King Nebuchadnezzar II in honor of the Babylonian gate Ishtar. This relief depicts the god Marduk in the guise of a chimerical mixed creature. Only two other museums in the world have dragons from the Ishtar Gate; this is the only dragon in the United States.



Andy Warhol, *Double Self Portrait*

This large-scale self-portrait treats central themes in Warhol's Pop art oeuvre, namely celebrity, repetition, and the visual language of popular culture. The two-part format and the heightened color palette are signature for the artist.



Edgar Degas, *Danseuses au foyer (Dancers in the Green Room)*

This painting features ballerinas, the most important subject for Impressionist painter Edgar Degas. The asymmetrical composition of this early painting reflects his newfound interest in Japanese prints. The subject is accessible to contemporary collectors.



Henry Fuseli, *The Nightmare*

This painting is, by far, Fuseli's most important work. It is a defining monument of Romanticism, embodying the concept of the irrational and its connection to imaginative forces. It is a precocious painting, looking forward to themes that would occupy many artists in the nineteenth and twentieth centuries. It anticipates Surrealism, an important painting style for contemporary collectors. It has a place in psychology textbooks and art history textbooks alike.



James Abbott McNeill Whistler, *Nocturne in Black and Gold – The Falling Rocket*

This painting is the most important of Whistler's Nocturnes, a series of muted landscapes painted with limited palettes. This work, which closely looks forward to modern abstraction more than any other work in the series, was the subject of a major controversy and libel suit involving a foremost critic of the day, John Ruskin, who accused Whistler of "flinging a pot of paint in the public's face."

With a collection of masterpieces such as the twelve examples cited above, it is clear that any DIA sale would excite world attention no matter what generalized statements one could make about market performance within any one particular sector. A sale of such extraordinary works of art would transcend any generalized comments one might make because in point of fact there will have never been a sale comparable to that of the Subject Property.

Notwithstanding this more obvious observation, the Christie's Report did not comment on the state of the art market.

The Artvest Report mentions the topic, but it does not discuss in depth the prominence of the DIA collection.

Instead, the first part of the Artvest Report details observation on the current art market; a major source cited in the Artvest Report is the TEFAF Art Market Report prepared by art economist Clare McAndrew. (**TEFAF REPORT**)

Chinese art economist, Zhang Yi also worked on the TEFAF Report and is credited with this in the report. Mr. Zhang who also works with VWA was asked to comment on the observations made in the Artvest Report regarding the TEFAF Report. The Review of Expert Witness Report of Michael Plummer, Artvest Partners, dated July 8th, 2014, Submitted to VWA on July 25th, 2014, Prepared by Zhang Yi (***ZHANG REPORT***) is appended to this report. (*See Attachment B.*)

The Zhang Report states that the Artvest Report misstates or obscures the points raised and conclusions of the TEFAF Report.

Generally speaking, the conclusions that the TEFAF Report makes are based on heterogeneous mixed consignor sales which in many cases suffered by a paucity of excellent objects; in other words, sales which have profiles significantly different than what would be the case if there were a sale of the excellent holdings of the DIA.

Consequently, while the general observations made in the Artvest Report may or may not apply to mixed consignor sales of objects of uneven quality, a DIA sale would not fit such a profile and, as such, it is inappropriate to compare such a sale with what has taken place during the past sale season.

THE ISSUES OF SUPPLEMENTS AND DISCOUNTS WITHIN THE CONTEXT OF MASS APPRAISALS

In the event that a valuation is predicated on the premise that a large group of similar and like items were to valued at one time in a hypothetical sales construct, USPAP Standard 6, under Mass Appraisals, instructs the appraiser to consider whether the value of the whole mass may be different than the sum of its parts.

Taking into consideration this valuation instruction, one should determine whether a supplement or a discount to a normal value would be appropriate.

SUPPLEMENTS

Based on our discussion above, one would be justified in determining that an increase in value would be appropriate due to the extraordinary quality of works of art in the DIA collection.

In point of fact, such a sale would be the sale of any century.

VWA has taken a conservative view and have added conservative supplements to various sector of the DIA collection, which are discussed below. VWA feels justified in doing this because the “sale of any century” would consist of consistently superior items which

are distinctly different from the items which would be found in a mixed-consigner sale such as the ones in the TEFAF report cited by the Artvest Report.

The reason VWA has not applied an across-the-board supplement is because such supplements are hard to quantify.

However, it should be mentioned that Mr. Wiener was required to quantify a glamor supplement in the DeBekessy case, cited in the attached CV, in which Christie's sold a distinguished collection of eighteenth-century French furniture and decorative arts without citing provenance, publication and exhibition history, resulting in lower prices realized for the consignor than if such important factors had been cited.

Neither the Christie's Report nor the Artvest Report address the possibility of including a valuation supplement due to the DIA provenance.

DISCOUNTS

VWA has not applied a valuation discount factor to the DIA collection, which one would normally do when valuing such a large collection of similar and like items, albeit in many diverse collecting categories, to be sold at one time. Given the nature of the DIA collection, it is unlikely that the entire collection would be sold at one time. Instead, a more likely hypothetical sale scenario would be one that takes place over time.

Alternatively, under the loan scenario presented by ACG and discussed in the Houlihan Catalogue, the DIA collection would not be sold at all, providing, of course, that the debtor would be able to repay the loan. The only way any of the works of art would be removed or sold would be if there were to be a loan default. Consequently the collection would not be valued as an organic whole or "mass" to use the terminology in USPAP Standard 6.

The Christie's Report does not address the issue of the appraisal of a mass.

The Artvest Report addresses the issue of applying a blockage discount, although it would appear that the Artvest Report ultimately rejects this, presumably because it is a draconian solution (although this point, in our opinion, is not entirely clear in the Artvest Report narrative). (*See* Artvest Report, pp. 27 ff).

The Artvest Report offers a number of different scenarii for calculating discounts which could be applied to value all 60,000 plus art holdings of the City.

These scenarii are articulated in a variety of tables. (*See* Artvest Report Tables 4, 5, 6, 7 pp. 28 – 7)

Economist Jannette Barth, Ph.D was asked to opine on the Artvest Report's view of blockage discount as it applied to the DIA and the supporting data use for the conclusions in the tables set forth in the Artvest Report.

Dr. Barth's conclusions are stated below and elaborated upon in the attached The Review of Expert Witness Report of Michael Plummer, Artvest Partners, dated July 8th, 2014, Submitted to VWA on July 24th, 2014, Prepared by Jannette M. Barth, Ph.D., Pepacton Institute LLC (**BARTH REPORT**) is appended to this report. (See Attachment C.).

In brief, Dr. Barth opines that most, if not all, of the discounts applied in the Artvest Report are unsustainable because of reliance upon unsupported data. The Barth Report goes through each discount that the Artvest Report applies and shows that the data is either lacking or inconsistent with the conclusions reached. As such, the Barth Report concludes that the Artvest Report is unreliable.

With this in mind, one can see that the Artvest Report puts forth its own discount calculations stated in the conclusion, resulting in a discount scenario in which the DIA collection would fetch between \$1.1 and \$1.8 billion "in the highest value scenario." (See Artvest Report, p. 48).

The Artvest Report also dismisses all expressions of interest by three potential purchasers and one potential lender as reported by Houlihan (See Artvest Report pp. 39-40).

While VWA did not have direct access to the three potential purchasers, according to Houlihan, Poly International Auction House expressed interest in purchasing all Chinese works for up to \$1 billion, Yuan Capital expressed interest in purchasing 116 pieces for \$895 million to \$1.473 billion, and Catalyst Acquisitions/Bell Capital Partners expressed interest in purchasing the entire collection for \$1.75 billion. VWA did have access to ACG, who offered to provide a \$2 billion loan.

VWA asked Ian Peck of ACG to comment on the way the Artvest Report characterized his offer to which he replied:

The Artvest Report, and more specifically the sections referencing ACG and its proposal to monetize the art collection of the DIA, is predictably skewed and misleading. Our proposal, which was submitted April 9, 2014, laid out interest rate ranges and loan proceed estimates in hopes of having collaborative discussions with the DIA and bankruptcy administrators. All relevant estimates were bracketed within the proposal to signify that we were open to discussion and analysis. ACG is confident that any loan against the collection for the purposes of enhanced relief to creditors will price at the lower end of the aforementioned interest rate range thereby rendering Mr. Plummer's cost estimates in Section 70 a. inaccurate. In section 70 e. Mr. Plummer again utilizes his inflated numbers to calculate debt service amounts. ACG is prepared to look at all options to provide non burdensome terms in the early years of the loan i.e. interest taken out of loan proceeds, PIK structures, etc. To be clear, ACG's proposal has no language

included that requires sales of any of the DIA collection. Further, the absence of any fees in the proposal that would reward ACG if any sales did occur should mitigate any offensive claims asserted by Mr. Plummer in section 70 g. The spirit of our proposal was and continues to be a willingness to work with all sides to find a mutually agreeable solution, thereby protecting a national treasure and allowing it to remain in Detroit whilst effecting enhanced recovery to creditors.

VALUATION DETERMINATION: METHODOLOGY

1. VWA valued 387 items with a low value of \$3,092,419,700, high value of \$4,040,303,800 and an average value of \$3,566,361,750.
2. The Christie's Report, the Artvest Report, and the Winston Report valued 596 works that VWA did not value.
3. VWA believes the values of the 596 works valued by the third parties stated above are generally too low.
4. The total of the average values of the 596 works arrived at by the third parties above was \$311,370,325.
5. Combined, VWA and other third parties valued 983 works for a total average value of \$3,877,732,075 (*See Attachment J: Step 2 Attachment*).
6. Of 17,178 DIA insurance values, 16,388 works were not valued by any of the third parties.
7. Many of the DIA insurance values were arrived at during the last decade or prior (see table "Overview of Age of DIA Insurance Value For Those Works that Have DIA Insurance Value and No Third Party Values")
8. VWA determined that a market percentage appreciation is appropriate for 16,338 of the DIA insurance values because the average weighted age of the values is 13.0 years (see chart "Overview of Age of Insurance Value For Those Works That Have DIA Insurance Values and No Third Party Values").
9. In order to determine a market appreciation rate, VWA first cross-referenced DIA insurance values to works that VWA valued and compared results. There were 317 works that had insurance values that VWA had valued.
10. With respect to the 317 pieces that had both insurance values and VWA values, VWA calculated the weighted value to be \$3,566,361,750 and calculated the average age of the DIA's insurance value to be 5.9 years old with an initial DIA insurance value of \$2,200,811,839. (*See Attachment L: Step 3 Attachment*).

11. VWA calculated the percentage change between the VWA values and the initial DIA insurance values and used that percentage as the market appreciation rate to be applied to the 16,388 works to arrive at current market value for the 16,388 works.
12. The current market value for the 16,388 works is \$758,888,249. (*See Attachment L: Step 3 Attachment*)
13. For the remaining works, VWA developed a pricing matrix based on average sales price of artworks by Sotheby's and Christie's by sales department for 2013 by using the chart from Exhibit E in the Artvest Report, "Sotheby's and Christie's Unsold Rates by Sector – 2013."
14. For reasons previously discussed in this report, particularly the unparalleled provenance of the DIA works, and the examples of recent celebrity sales, VWA believes that if the DIA collection ever were to be offered for sale at public auction, the buy-in rate for unsold lots in the categories would be essentially zero.
15. A premium or discount was applied to most of the DIA categories.
16. When appropriate, premiums were applied to categories within the pricing matrix to compensate for factors including the strength of many individual market sectors and the high collectability and rarity of the DIA works in those sectors.
17. When appropriate, discounts were applied to categories in the pricing matrix to compensate for less collectible works of art.
18. The values of the remaining 42,854 DIA works were calculated by taking the average sales price described above (see above) and also applying the premium or discount where applicable.
19. The total value of the remaining 42,854 DIA works was determined to be \$3,512,612,030.
20. VWA has considered that an error rate in the DIA data would affect results. Until VWA can consult with the DIA on quality control issues, VWA is unable to adjust for such errors.
21. The preliminary MCV grand total for the works in the DIA collection is \$8,149,232,354 and was determined by adding (1) the total value of works in the DIA collection valued individually by VWA, (2) the total value of works in the DIA collection valued individually by independent third parties (not including VWA), (3) the projected value of works not covered by clauses 1

and 2 in this paragraph but have aged DIA insurance values which VWA subsequently estimated for market appreciation, and (4) the total values of remaining works which were valued using the pricing matrix. (See Attachment H: Methodology Step by Step Chart)

22. All values were reviewed and adjusted by internal committee.

CONCLUSION

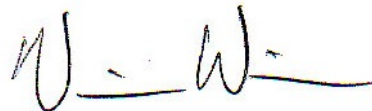
In arriving at a determination of the value by VWA of the entire holdings (approximately 60,000 works of art) of the DIA, the following points should be stressed:

1. The above appraisal report is to be considered as a preliminary report of a summary nature. All notes included in the work file may or may not have been included in the report. Clearly only when they are of truly determinative importance have such notes been cited, in keeping with the report's definition as both preliminary and summary.
2. There have been at least three other appraisal reports reviewed by VWA which have been produced in conjunction with the above cited litigation. Two of these reports, the Winston report and the Christie's report, take into consideration only a small segment of the DIA collection. The Report and the Artvest Report are the only two reports that attempt to value the entire DIA collection.
3. Of these two reports, the Report is the only report issued in compliance with the Uniform Standards of Professional Appraisal Practice.
4. Of these two reports, this Report is the only report issued by qualified appraisers. While the Artvest Report may have used qualified appraisal consultants that report was issued by Michael Plummer who is not an appraiser.
5. Furthermore, as evidenced by the CVs attached to the Artvest Report, neither Mr. Plummer nor his appraisal consultants show any significant museum training.
6. At least two of the leading appraisers responsible for the Report have significant museum training – i.e. Victor Wiener who holds a Certificate in Museum Training issued jointly by the Metropolitan Museum of Art and the Institute of Fine Arts, NYU and David Shapiro, who has worked in and with museums in a variety of capacities.
7. This Report is the only report that takes into consideration in a prominent way the great importance of the art holdings of the DIA. This is an important

valuation factor, which has been almost totally ignored in the other appraisal reports. In fact Artvest appears to denigrate the DIA holdings by saying it contains many items of low value, which may have been dumped into the museum collection by donors.

8. VWA has had only two weeks in which to issue the preliminary report.
9. Because the data supplied was compromised we were obliged to engage Silar Advisors to attempt to sort the data and assist in calculations. This is an on-going process but enough progress has been made at this point to render credible results.
10. Because much of the analysis of the Artvest Report is dependent on work done by Clare McAndrew and her associates for the TEFAF Report, as well as economic projections. VWA consulted with Zhang Yi, a co-author of the TEFAF Report; we also consulted with Janette Barth, a noted economist to comment on these sections. The Zhang Report and the Barth Report are appended to the Report. In sum, both these authorities take issue with statements made in the Artvest Report.
11. While the Report does make a number of economic projections, the methodology employed and the limitations under the time constraints are disclosed fully within the body of this report. Such full disclosure is not obvious to us within the text of the Artvest Report.
12. Under the limitations cited above and within the Report and within the nature of the type of preliminary report delivered, with all its disclosures, it is VWA's opinion that the Report has arrived at credible results. Such is the overriding principle of USPAP which stresses that appraisers must strive to maintain "public trust" and perform assignments with "objectivity, independence and without bias." VWA strives to maintain those principles.

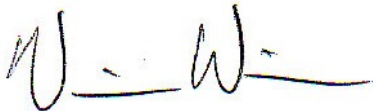
Executed this 25th day of July, 2014, in New York, New York.

A handwritten signature in blue ink, appearing to read 'V. Wiener', with a horizontal line extending to the right.

Victor Wiener

USPAP Appraisal Certification:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are the impartial and unbiased professional analyses, opinions and conclusions of the appraiser.
- The appraiser has no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- The appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The appraiser's compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The appraiser's analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- Any person who has provided significant personal property appraisal assistance to the person signing this certification is listed in the body of the report.
- The appraiser has the appropriate experience and level of competence to appraise the property which is the subject of this report and the qualifications of all who have worked on this report are stated both within the body of the report and in the *curriculum vitae* of the principal appraiser which is appended to the report.
- While the appraiser attests to the descriptions of property contained in this report, this appraisal report is not to be considered to be a statement of authenticity or a warranty of the subject property, and is limited by the extraordinary assumptions stated with inches. However, careful review of all scholarly and market sources have not revealed any doubt about the authenticity of the subject property as of the date of this report, unless specifically stated.



Victor Wiener for
Victor Wiener Associates, LLC
July 25th, 2014

ADDENDUM

CORRECTIONS TO REPORT AS OF AUGUST 20, 2014

The Report has been corrected to account for the following errors noted as of the above date:

- Obvious typographical errors of spelling and syntax.
- The following transcription errors:
 - VWA identified 20 works that should not have been included in Step 2. VWA deleted each of these works from the Step 2 Attachment (Attachment J), and those with DIA insurance values were included in Step 3 (*see* Attachment L) and the others were added to the pricing matrix in Step 4 (*see* Attachment M). The Methodology Step by Step Chart (Attachment H, and reproduced on page 3), the Step 2 Attachment Supplement (Attachment K), the explanation of the valuation methodology on pages 45-47 and the valuation conclusions on page 3 have been updated to reflect the corrected number of units and average values.
 - The DIA Insurance List includes an Asian manuscript, *Perfection of Transcendent Wisdom in Eight Thousand Verses* consisting of 501 pages. The DIA Insurance list gave each of the 501 pages a different accession number, and the insurance value of \$300,000 for each page of the manuscript. This is an obvious error, as \$300,000 is an appropriate insurance value for the whole manuscript, but not for each page. Thus, the \$300,000 insurance value for this work should have been listed only once on the DIA Insurance List, but was instead repeated 501 times. The Step 3 Attachment (Attachment L), the Methodology Step by Step Chart (Attachment H, and reproduced on page 3), the explanation of the valuation methodology on pages 45-47 and the valuation conclusions on page 3 have been updated to reflect the corrected number of units and average value, accounting for \$300,000 as the value of this work, only once.
 - It is VWA's opinion that the DIA Insurance List may include additional instances of the same mistake of listing the insurance value for one object multiple times. This would be impossible to verify without a detailed physical inspection of each work in the DIA Collection; however, in order to account for this possibility, VWA applied an additional discount of 3.5% to calculate the Grand Total, Projected Sum of Average DIA Insurance Value listed on the Step 3 Attachment (Attachment L), and updated the Methodology Step by Step Chart (Attachment H, and reproduced on page 3), the explanation of the valuation methodology on pages 45-47 and the valuation conclusions on page 3 to reflect the

corrected, discounted value.

- As a result of these and other mistakes identified on the DIA Insurance List, VWA corrected the total amount of DIA insurance values in paragraph 6 of the explanation of the valuation methodology on page 45.
- The definitions of Christie's Report, Artvest Report and Winston Report in Attachment K were corrected to conform to the definitions in the Report.
- The formatting of Attachments H – M was fixed to make those attachments more readable.

INDEX OF ATTACHMENTS

A: Curriculum Vitae of Victor Wiener

B: Zhang Report

C: Barth Report

D: Select Slides from Uniform Standards of Professional Appraisal Standards course material written by the Appraisal Foundation

E: DIA Inventory Page, Missing Photograph Example

F: DIA Inventory Page, Mislabeled “Unknown, American” Examples

G: Article on *L'incanto dell'affresco*

H: Methodology Step by Step Chart

I: Step 1 Attachment

J: Step 2 Attachment

K: Step 2 Attachment Supplement

L: Step 3 Attachment

M: Step 4 Attachment

Attachment A

Curriculum Vitae of Victor Wiener

VICTOR WIENER
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(212) 873-5218 FAX
victorwiener@aol.com

Independent Appraiser and Art Consultant, 2004-present:

CEO and director of Victor Wiener Associates, LLC the successor company to Wiener Wolf Associates, LLC, an international firm of independent specialist appraisers and art advisors drawn from professional associations, specializing in insurance appraisals, damage and loss appraisals, tax appraisals, equitable distribution appraisals, appraisals for collateralized transactions, and art market advice for private collectors and financial institutions. The firm's diverse group of expert appraisers specializes in all aspects of fine arts and decorative arts and has an additional specialty in the appraisal of photography, photo archives and audio visual related material.

Appraisers Association of America, Inc., New York, N.Y.

Executive Director, 1982- 2004:

CEO of international organization of 1200 members engaged in the profession of appraising art. Responsible for implementation of all Association programs including: monthly newsletter and journal as editor; government liaison as listed below; analyses and monitoring of art market to report to members and professional and general public; design and supervision of computerized appraisal referral service; implementation and management of Association's educational program including monthly seminars, national conferences, professional travel program, and ad hoc lecture series on the art market under the auspices of the AAA's parallel educational foundation, the Appraisal Institute of America; implementation and administration of Association's public relations program, including preparation of all press releases; design and supervision of criteria for prospective members; review of member's appraisals and source of advice to members on appraisal problems; general liaison with art community: i.e. collectors, dealers, auction houses and appraisers.

Sotheby's Appraisal Company: New York, N.Y.

Consultant, 1981-1982:

Responsible for preparation of appraisals for old master and 19th century paintings for clients requesting insurance appraisals, estate appraisals and appraisals for donation purposes.

New York, NY

Art Broker, 1981-1982:

Specializing in the sale of fine art, including old masters and 19th and 20th century paintings and sculpture.

La Cassa di Risparmio: Rome, Italy

Consultant, 1978-1980:

Resident consultant for old master, 19th and 20th century paintings. Responsibilities included: supervision of monthly auction sales; advisor to consignors and collectors; development of new client base; recommendations to bank officers on the purchase of works of art for the bank.

Rome, Italy

Private dealer and art broker, 1978-1980:

Specializing in the sale and acquisition of fine and decorative arts.

Christie's: Rome, Italy

Director, Fine Arts Department 1974-1978:

Responsible for 10-12 sales annually of paintings, drawings and prints. Advisor to consignors and collectors in Italy and throughout Europe. Preparation of all fine art catalogues, verifying attribution and prices of all works offered. Liaison with branch offices throughout Italy and with general office in London.

Colnaghi, Rome, Italy

Research Assistant to the Director, 1973-74.

University Teaching Positions:

1990 – present: Adjunct Assistant Professor New York University Appraisal Studies Program, School of Professional and Continuing Studies. Courses include: Art Law; IRS Rules and Regulations and Uniform Standards of Professional Appraisal Practice.

1987: Instructor, Art Dept, Baruch College, New York. Course on Basic Appraisal Methodology.

1985: Instructor, Baruch College, New York, School of Continuing Education. Course on Basic Appraisal Methodology.

1985: Instructor, The New School, New York. Course on the Art Market and Appraising.

1970-1973: Instructor, Art History, Finch College International Study Program: Rome, Italy

Development of a curriculum utilizing the resources of Rome as a point of departure for the study of the connoisseurship of paintings and sculpture and the basic principles of architectural history.

Governmental Research, Development, and Testimony:

2009: Member of working group of 5 experts retained to develop and recommend new standards for donation appraisal reports concerning audio, visual and related photographic material to be considered by the Canadian Cultural Properties Export Review Board for potential Canadian tax deductions.

1990: Established with the Resolution Trust Corporation a national database of appraisers to help in the liquidation of assets of failed Savings & Loan Institutions.

1986: Testimony submitted to the House Ways and Means Committee, Subcommittee on Oversight, concerning the IRS Art Advisory Panel. Testimony published by the Government Printing Office with the proceedings of the Hearing.

1985: Testimony before the IRS and Treasury on the new IRS regulations for donations of personal property to charitable institutions.

Governmental Research, Development, and Testimony (cont'd) :

1985. Expert witness for the Treasury Dept. in the United States of America v. Jarelco, Inc.. As a result of this action, the Treasury Dept. was able to reclaim more than \$50 million in lost revenue.

1984: Participant at the meeting of IRS and Treasury officials and invited representatives of the appraisal profession to discuss the ramifications of the new legislation and rules regarding donations of personal property to charitable institutions.

1983: Testimony on appraising before the House Government Activities Subcommittee, chaired by Rep. Cardiss Collins. Testimony published in “Revision of IRS Tax Deductions for the Arts”, the proceedings of the Hearing published by the Government Printing Office. (The results of the Hearing and the

subsequent data collected by the House Government Activities Subcommittee were influential in leading to the current legislative revision and IRS rulings issued in 1984).

Testimony as Expert Witness and Legal Consultation:

2012-2014: Ronald Appleby v. Her Majesty the Queen. Retention by the Justice Department of Canada and Canadian Revenue. Case concerning the donation of a monumental sculpture by Gerome to the Art Gallery of Hamilton Ontario. Issues concerning re-fabrication of significant parts, use of undocumented ivory in the restoration and issues concerning the sculpture’s Cuban provenance and its nationalization and subsequent sale by the Castro government.

2011-2013: Marguerite Hoffman v. L&M Arts, David Martinez and Studio Capital, Inc. The case involving a commercial transaction and valuation issues concerning a major Mark Rothko painting.

2011-2014: Cin-Con Heating v. Shapiro and Weigner: The case involving claimed damage to a fixture and interior attributed to Frank Lloyd Wright.

2011-2013: The Dorothy G. Bender Foundation, Inc. and John McEnroe v. Joseph P. Carroll and Joseph P. Carroll Limited: The case involving the valuation of an Arshile Gorky painting and two other works of art connected with the settlement of the Lawrence Salander assets.

2011-2012: American International Ins. Co., as subrogee of Theodore Forstmann, v. Acquavella Galleries, Inc. The case involving the damaged Picasso Portrait of Dora Maar.

2010-2012: Glacier Gallery and I.S.O. Art Ltd. v. Fedex Ground Package System, Inc, Art Capital Group and ACG Galleries. The case involving a painting by Thomas Hart Benton damaged in shipping.

2010-2011: AXA Art Insurance Corp. as subrogee of Gagosian Gallery International, LLC v. Art Courier, et. al. The case involving a highly important painting by Brice Marden, owned by Sotheby’s which had been damaged when in custody of the Courier while it was being transported by the Gagosian Gallery.

2010-2011: AXA Art Insurance Corporation as subrogee of Steven A. Cohen v. Arenson Office Furnishings Inc. The case involving a damaged important sculpture by Jeff Koons owned by collector Steven Cohen.

2009-2012 (ongoing): Atlantic Specialty Insurance Co. v. AE Outfitters. The case involving fire damage to an important sculpture by Jeff Koons owned by collector, Peter Brant.

Testimony as Expert Witness and Legal Consultation (cont'd):

2010- 2011: Friedman Benda Gallery v. Museum of Modern Art et al. The case involving the claimed damage to pieces of furniture by 20th century artist, Ron Arad.

2009-2011: Richard Green (Fine Paintings) v. Doyle McClendon and Mary Alice McClendon. The case involving the current valuation of one of the most expensive Bonnard painting ever to have been sold.

2009: Cincinatti Art Gallery and Travelers v. Covenant: The case involving a damaged painting by William Glackens.

2009: Expert Witness in Venetia Kapernekas v. Udo Fritz-Hermann Brandhorst. The case involving the valuation of large scale sculpture by Damian Hirst.

2009: Expert Witness in 775 Park Avenue Corp, a/k/a Anton deBekessy v. Marguerite deBekessy. The case involving the role of provenance in the auction sales of fine and decorative art.

2008: Expert Witness testimony in Christie's, Inc v. SWCA, Inc et al. The case concerning authentication procedures for a Picasso bronze.

2006-2009: Expert witness in P&E entertainment v. Chubb Insurance. The case involving a loss claim for audio-visual and photographic sports entertainment material.

2007: Expert witness in Trimount Foundation v. Dexter House Development, Boston. The case involved the valuation and assessment of damages to a major Tiffany mosaic room decoration located in the Ayer Mansion, Boston. The case was settled out of court, although a deposition was taken and a video-taped testimony to be played in court in the event of a trial was made.

2007: Designated expert witness in Stephen and Elaine Wynn v Those Certain Underwriters at Lloyds, London et al. Retained to determine the diminution in value to the painting *Le Reve* by Pablo Picasso due to a puncture of the canvas; and to determine the market value of the painting prior to the accident. [n.b. *Le Reve* was to be sold, prior to the damage, for \$139 million which would have made it at the time the most expensive work of art ever to be sold.]

2006: Expert witness in Those Certain Underwriters at Lloyds, London et al v Nancy Cooperman. Civil case in which Nancy Cooperman was sued for \$22 million by the above insurance companies. The case was decided in her favor based, in part, on the valuation submitted by Wiener Wolf Associates, LLC and my testimony. In addition, the Court accepted our stated valuation concept that a substantial appraisal discount was mandated by the events of September 11, 2001. (This may be the only case in which this concept was presented to a jurisdictional authority).

2005: Expert witness in United States v. Rocco de Simone: Criminal case involving representation of French impressionist and modern paintings, consignment agreements and related art world practices. De Simone, who risked going to prison for approximately seven years, was exonerated based, in large part, on expert witness testimony.

2005: Expert witness in Levin v. Harned: Case involving art world practices and representation of 19th century Italian sculpture sold by Gallery 63, New York

2005: Expert witness in Levin v. Harned: Case involving art world practices and representation of French furniture and decorative arts sold by Ed Hardy, Inc. San Francisco.

2005: Expert witness in Levin v. Harned: Case involving art world practices and representation of French furniture and decorative arts sold by Foster Gwin, Inc. San Francisco.

Testimony as Expert Witness and Legal Consultation (cont'd):

2005: Expert witness in Levin v. Harned: Case involving art world practices and representation of French furniture and decorative arts sold by John J. Nelson Antiques, Inc., Los Angeles.

2004: Expert witness in Levin v. Harned: Case involving art world practices and representation of French furniture sold by Dalva Brothers, Inc., New York. Testified for Dalva Brothers who won on all counts.

2004: Expert witness in Cathers v. Barnes. Case involving allegation of non-payment of bill. Testified for defendant on art market practices and representation of objects by dealers. Victor Wiener—

2003: Legal consultation in “Phoenix Art Gallery v. Kimbell Museum.” Case involving non-fulfillment of purchase and the interrelationship of provenance concerns.

2003: Expert witness in “Charles Malette v. Her Majesty The Queen,” Vancouver, Canada. Retained by the Department of Justice, Canada as an expert witness in appraisal methodology and blockage discount in a dispute concerning the donation of 981 works on paper by the Canadian artist, Harold Feist. The government’s position was upheld by the Court of Appeals with reliance upon my expert report as part of the justification for the decision.

2002—present: Consultant and expert witness for the City of New York in the settlement of an insurance claim for artist Wen-Ying Tsai. Valuation considerations include issue of blockage discount.

2001—2002: Expert witness testimony in “Thomas Colville Fine Arts, LLC v. Kent Gilyard et al.” Testimony concerning art sales practices, issues of authenticity and auction house sales practices and guarantees.

2002: Legal consultation in “Gay Culverhouse v. Centrifugal/ Mechanical Associates, Inc. et al.” Case involving insurance damage and loss claim.

2002: Expert witness testimony in “Estate of Louise Nevelson et al v. Carro, Spanbock et al.” Testimony concerning the valuation of over 3,000 works of art by Louise Nevelson and issues of blockage discount.

2002: Legal consultation in “Nares et al v. M&W Waterproofing, Inc.” Case involving insurance damage and loss claim for art work created by artist, James Nares.

1999—2001: Expert witness for testimony to the Philadelphia Arts Commission re: *Dream Garden* Mosaic in the Curtis Office Building. It was anticipated that litigation in this case would be heard in the U.S. Supreme Court since constitutional issues are involved.

1993: Expert Witness in “The Matter of the Definition of Legal Fees Payable to the Estate of Andy Warhol.” Expert Witness on appraisal methodology and blockage discount. At issue was the valuation of an estate claimed to be in excess of \$900. million. This was probably the most important art valuation case ever to be tried in the U.S.

1992: Expert Witness in “Goldman v. Barnett”

1985: Expert Witness for the Treasury Department in the United States of America v. Jarelco, Inc. As a result of this action, the Treasury Department was able to reclaim more than \$50 million in lost revenue.

Lectures and Conference Participation:

March, 2013: Panelist, Art Governance and Financial Planning Conference, Stephenson Harwood, London.

May, 2012: Speaker and panelist at the Art Investment Conference of the London Business School of London University. The panel concerning contemporary art as an asset class in a volatile marketplace.

April, 2012: “Art Appraisal and Litigation”. Seminar organized by the Art History Faculty of Stanford, University, Palo Alto, CA.

April, 2012: “Valuing Art in the Time of Chaos”. Speaker and panelist at the seminar hosted and organized by the New York Law School.

March, 2012 “What is art worth NOW?": Panel discussion presented by the New York Armory Show.

March, 2012: “Best Practices in Art Valuation”, lecture presented for financial advisors as part of a seminar series hosted by Fine Art Wealth Management, London, England.

November, 2011: “Art Valuation Concerns for High Net Worth Clients”, lecture presented for financial advisors and clients as part of a seminar series hosted by BNY Mellon, London, England.

August 2011: “Legal Liability Exposure When Conforming to USPAP” lecture presented for the American Society of Appraisers in Washington, DC at their annual national conference.

March, 2011: “The Importance of a Properly Prepared Art Valuation”, lecture presented for financial advisors as part of a seminar series hosted by Fine Art Wealth Management, London, England.

June, 2010: “Valuation Parameters for Fine Art in a Volatile Marketplace” for the Monterey Historical Society, Monterey, California.

May, 2010: Speaker and panelist at the Art Investment Conference of the London Business School of London University. The seminar concerning art as an asset class in a volatile marketplace.

April, 2010: Series of lectures for the University of Southern California, Los Angeles, on the “Valuation of Mondrian’s Furniture and its Relation to his Body of Work”.

November, 2009: “Appraising Works of Art in a Selective Marketplace”, for Chubb Insurance underwriters and brokers as part of Chubb’s continuing education program.

May, 2009: Speaker and panelist at the Art Investment Conference of the London Business School of London University. The seminar concerning art as an asset class in general and the current market for contemporary art in particular.

February, 2009, Moderator of Panel on works of art seized during the Holocaust, panel organized by Withers Bergman, LLC.

November, 2008: “The Appraisal of Photography, Photographic Archives and Audio Visual Material” and “Serving as an Expert Witness” for the Picture Archive Council of America.

July, 2008: “The Dynamics of Fair Market Value” for *Jewelry Camp*, an international conference for appraisers of gems and jewelry and for gemologists held at Hofstra University, Garden City, New York.

Lectures and Conference Participation (cont'd):

May, 2008: “The Current Market for Contemporary Art and Other Property of High Value”, for Chubb Insurance underwriters and brokers as part of Chubb’s continuing education program.

December, 2006: “Appraising and the Cotemporary Art Market”, for Sotheby’s Masters Degree program in the Business of Art, given in Miami Beach, Florida in conjunction with Art Basel Miami.

April, 2006: “The Legal Responsibilities of Appraisers for their Clients” for national conference of the International Society of Appraisers,” Santa Fe, NM.

October, 2005: “Appraising for Insurance Purposes”, for Chubb Insurance underwriters and brokers as part of Chubb’s continuing education program.

April, 2005: “Recent Legal Developments and Expert Witness Testimony” for national conference of the International Society of Appraisers,” Chicago, IL.

December, 2004: “Appraising for Insurance Purposes”, for Chubb Insurance underwriters.

March, 2004: “Authenticity Considerations for Appraisers of Fine Art,” for national conference of the International Society of Appraisers,” Atlanta, GA.

March, 2004: “The Balancing Act: Professional Responsibilities and Legal Expectations,” for national conference of the International Society of Appraisers,” Atlanta, Georgia

March, 2004: “Appraising and Underwriting Government Collections,” for the Association of Government Risk Insurance Pools, Santa Barbara, CA.

October, 2003: “Appraising for Insurance Purposes” Special seminar of the Inland Marine Underwriters Association, given in Chicago and New York.

April, 2003: “The Dream Garden Mosaic, The Masterpiece of Louis Comfort Tiffany,” for national conference of International Society of Appraisers, Philadelphia, PA.

April, 2003: “From Bauhaus to Art Deco: German Ceramics of the 1920s and 1930s,” The Cleveland Museum of Art, Cleveland, OH.

November, 2002: “Blockage Discount,” lecture and Art Law section of New York City Bar Association.

January, 2002: “Do it Now: Workshop on Emergency Preparedness,” National Association of Corporate Art Managers, Sotheby’s New York, NY.

November, 2001: “From Bauhaus to Art Deco: German Ceramics of the 1920s and 1930s,” Sotheby’s Institute of Art, New York, NY.

June, 2001: “Fine Arts Appraisals and Valuations,” Inland Marine Underwriters Association National Conference, Keystone, CO.

April, 2001: “Appraisal Standards for the Insurance Profession,” Mariners Club, New York City.

October, 2001: “Fine Arts Appraisals and Valuations,” Inland Marine Underwriters Association, Minneapolis, MN.

Lectures and Conference Participation (cont'd)

May, 2000: Chair and speaker of session on “Museum Loan Shows: The Valuation Process,” American Association of Museums Conference, Baltimore, MD.

June, 1997 and June, 1999: Program Coordinator and Moderator for all day seminar on “How to Establish and Conduct an Appraisal Practice” offered by New York University Appraisal Studies Program and the Appraisers Association of America.

November, 1998: Lecture on “Art Theft Forgery and Illicit Traffic: The Appraiser’s Perspectives” paper delivered at a symposium on Art Theft organized by Rutgers University, New Brunswick, NJ. This paper will soon be published by Rutgers.

November, 1997: Lecture on “Art Fraud and Forgeries” for International Art Theft Symposium organized by the FBI.

June, 1997: Lecture on “Object ID and the Appraiser” at a symposium on “Protecting Cultural Objects in the Global Information Society,” an international symposium in Amsterdam organized by the Getty Information Institute.

June, 1995: Program Coordinator and Moderator for all day seminar on “How to Choose an Appraiser” offered by New York University Appraisal Studies Program and the Appraisers Association of America.

June, 1993: June, 1994, June 1996 and June 1998. Program Coordinator and Moderator for all day seminar on “Professional and Legal Liability Concerns for Personal Property Appraisers” offered by New York University Appraisal Studies Program and the Appraisers Association of America.

October, 1990: Lecture to patrons of the Metropolitan Museum of Art on “The Art of Appraising for Insurance, Estate and Donation.”

March, 1990: Moderator of panel discussion on appraising and insurance for Conference of National Association of Corporate Art Managers.

April, 1989: Moderator and participant in panel discussion on appraising and the art market as part of the 1989 ARTnews World Art Market Conference.

May, 1985: Discussant at all-day seminar on “The Economics of Art” organized jointly by the New York University Graduate School of Business and The Art Economist.

March, 1984: One of four panel participants on “The Tax Exempt Gift”, a seminar organized by the International Foundation for Art Research.

1983-1984: Participant and organizer of public service seminars on appraising and the art market held in New York, Los Angeles, San Francisco and Chicago, sponsored jointly by the Appraisers Association of America and “Dewar's White Label.”

November, 1983: Lecture on principles of appraising before the American Society of Picture Professionals, New York (Photo researchers and editors).

October, 1983: Crocker Museum of Art, Sacramento, California. Lecture on appraising and the art market.

1983-2001: Organizer and participant in sixteen National Conferences of the Appraisers Association of America.

Exhibitions:

“Now Playing; Italian Film Posters from the Lawrence Auriana Collection”, New York University, Casa Italiana Zerilli Marimo, 2005.

Series of Exhibitions of Paintings, Drawings and Prints for La Cassa di Risparmio, Rome, 1978-1980.

Series of Exhibitions of Paintings, Drawings and Prints for Christie's Rome, 1974-1978.

“Eighteenth Century Italian Prints” for the Metropolitan Museum of Art, 1971.

Publications:

Overview of the Current State of the Art Market 2012, prepared by IMUA (Inland Marine Underwriters Association) Arts and Records Committee, co-author.

Why Auction Estimates are not Insurance Appraisals, (co-authored with Charles Wong), 2011, for Chubb Collectors (website and printed copy)

Valuing Art Investment Funds: An Appraisers Viewpoint, 2011, published by Fine Arts Wealth Management.

The Role of Appraisers in the Process of Authentication and in Other Related Valuation Issues, (co-authored with Charles Wong), 2011, included in Appraisal Studies Journal of the International Society of Appraisers.

Overview of the Current State of the Art Market 2010, prepared by IMUA (Inland Marine Underwriters Association) Arts and Records Committee, co-author.

The Unique Aspects of Appraising Large Scale Works of Art, 2009, included in Appraisal Studies Journal of the International Society of Appraisers

Appraising Art in the Stratosphere: The Dynamics of Steve Wynn's Elbow and Other Valuation Situations: 2008, included in Appraisal Studies Journal of the International Society of Appraisers.

Visual Artists Rights Act [VARA], 2005, prepared by IMUA (Inland Marine Underwriters Association) Arts and Records Committee, co-author.

Collections Management Systems for Collectors and Institutions, 2004, prepared by IMUA (Inland Marine Underwriters Association) Arts and Records Committee, co-author.

All About Appraising: The Definitive Appraisal Handbook, 2003, published by Appraisal Institute of America, co-editor and principal contributor.

“The Pleasures and Perils of Buying in the Glamour Marketplace: Gianni Versace, Jacqueline Onassis, Pamela Harriman, Andy Warhol and Others,” *The Appraiser*, First Issue, 2002.

“Art Theft Forgery and Illicit Traffic: The Appraiser's Perspectives” Rutgers University Press, New Brunswick, NJ – forthcoming.

“Appraisal Standards for the Insurance Profession,” co-author, published by the Inland Marine Underwriters Association, June, 2001 and distributed to insurance professionals.

Publications (Cont'd):

“German Ceramics of the 1920s—1930s,” *The Appraiser*, First Issue, 2000.

“All About Appraising, Elements of a Correctly Prepared Appraisal: Clear Title,” *Antiques and the Arts Weekly—The Newtown Bee*, January 31, 1997.

“All About Appraising, Elements of a Correctly Prepared Appraisal: Market Analysis,” *Antiques and the Arts Weekly—The Newtown Bee*, October 18, 1996.

“All About Appraising, Elements of a Correctly Prepared Appraisal: Determining Authenticity,” *Antiques and the Arts Weekly—The Newtown Bee*, September 20, 1996.

“All About Appraising, Elements of a Correctly Prepared Appraisal: A Practical Example of Blockage Discount,” *Antiques and the Arts Weekly—The Newtown Bee*, May 24, 1996.

“All About Appraising, Elements of a Correctly Prepared Appraisal: The Chagall Sale,” *Antiques and the Arts Weekly—The Newtown Bee*, May 24, 1996.

“All About Appraising, Elements of a Correctly Prepared Appraisal: Liquidation Value,” *Antiques and the Arts Weekly—The Newtown Bee*, March 15, 1996.

“All About Appraising, Elements of a Correctly Prepared Appraisal: Marketable Cash Value,” *Antiques and the Arts Weekly—The Newtown Bee*, December 22, 1995.

“All About Appraising, Elements of a Correctly Prepared Appraisal: Marketable Cash Value” *Antiques and the Arts Weekly—The Newtown Bee*, November 17, 1995.

“All About Appraising, Elements of a Correctly Prepared Appraisal, Part VII: Fair Market Value” *Antiques and the Arts Weekly—The Newtown Bee*, November 17, 1995.

“All About Appraising, Elements of a Correctly Prepared Appraisal, Part VI: Definition of Value”, *Antiques and the Arts Weekly—The Newtown Bee*, September 8, 1995.

“All About Appraising, Elements of a Correctly Prepared Appraisal, Part V: Choosing the Most Appropriate Market for Valuation”, *Antiques and the Arts Weekly—The Newtown Bee*, July 21, 1995.

“All About Appraising, Elements of a Correctly Prepared Appraisal, Part IV: The Comparative Market Data Approach to Valuation”, *Antiques and the Arts Weekly—The Newtown Bee*, June 16, 1995.

“All About Appraising, Elements of a Correctly Prepared Appraisal, Part III: The Income Approach to Valuation”, *Antiques and the Arts Weekly—The Newtown Bee*, April 28, 1995.

“All About Appraising, Elements of a Correctly Prepared Appraisal, Part II: The Cost Approach to Valuation”, *Antiques and the Arts Weekly—The Newtown Bee*, April 7, 1995.

“All About Appraising, Elements of a Correctly Prepared Appraisal, Part I”, *Antiques and the Arts Weekly—The Newtown Bee*, February 10, 1995.

“All About Appraising, How to Find an Appraiser”, *Antiques and the Arts Weekly—The Newtown Bee*, January 13, 1995.

Publications (Cont'd):

“All About Appraising, What is an Appraisal”, *Antiques and the Arts Weekly—The Newtown Bee*, December 9, 1994.

“Volatile Art World Increases Pressure On Appraiser's Job”, *New York Law Journal*, March 21, 1994.

“Be Accurate, Not Sorry Standards Set for Fraud Liability of Dealers, Appraisers”, *New York Law Journal*, November 8, 1993.

“Napoleon Takes Memphis”, *The Appraiser*, Summer, 1993.

“The 'Flea Market' Phenomenon—An Overview”, *The Appraiser*, November-December, 1992.

“Sotheby's Sells the Friedman Collection”, *The Appraiser*, November-December, 1992.

“Using An Appraiser: What Lawyers Need To Know” *New York Law Journal*, March, 1991, (subsequently reprinted in the national Law Journal.)

“Artful Marketing: Sporting Art,” *Spur Magazine*, September/October, 1988.

“Investing in Equine Art,” *Horse Digest*, January, 1986.

Bimonthly articles on the New York art scenes for *Fine Arts*, an Italian magazine, 1981-1983.

Series of auction catalogues for Christie's Rome, 1974-1978.

Editor, *The Appraiser*, a monthly publication of the Appraisers Association of America on developments within the profession, 1982-2004.

“Eighteenth century Italian Prints,” *Metropolitan Museum of Art Bulletin*, January, 1971.

Education:

Completion of all course requirements for Ph.D., New York University, Institute of Fine Arts.

M.A. New York University, Institute of Fine Arts.

Certificate in Museum Training, New York University, Institute of Fine Arts, offered in conjunction with the Metropolitan Museum of Art, New York (including a 6 month internship at the Victoria and Albert Museum, London).

B.A. City College of New York.

Fellowships:

Chester Dale Fellowship, Metropolitan Museum of Art, for preparation of the Print Department exhibition, “Eighteenth Century Italian Prints,” 1971. A one year grant.

Ford Foundation Fellowship in Museum Training. A two year grant which provided for course work at the Institute of Fine Arts and internships in the Print Department of the Metropolitan Museum of Art and in the Print Department of the Victoria and Albert Museum, London, as well as extensive European travel for two summers.

Fellowship, Institute of Fine Arts, New York University for Ph.D studies. A one year grant.

Graduate Faculty Fellowship, New York University. A one semester grant.

New York State Regents Scholarship. A four year grant

Professional Recognition:

2005: Member Vetting Committee for the San Francisco Antiques Fair.

2003: Certified Instructor of *Uniform Standards of Professional Appraisal Practice*, designation given by the Appraisal Foundation, Washington, D.C. (recertified 2005, 2010, 2012).

1988: Certified Association Executive. Designation awarded by the American Society of Association Executives after an all day examination and evaluation of professional achievements.

1979: Accepted for membership, Appraisers Association of America. While Executive Director, served on the by-laws committee, responsible for current revisions; and wrote the methodological section and Old Masters Paintings section of the certification examination as well as taught the course on “How to Prepare for the Certification Examination.”

1978: Designated Art Expert for the Italian Courts in Rome and elsewhere in Italy. (“Perito del Tribunale in Arte” by the Tribunale di Roma).

Quoted frequently in *The New York Times*, *International Herald Tribune*, *The Wall Street Journal*, *Art & Auction*, *The Economist*, *The Financial Times* et al. Press clippings available upon request.

Interviewed on CNN, The Today Show, ABC News with Peter Jennings, NPR, ABC News, New York et al.

Attachment B

Zhang Report

**REVIEW OF EXPERT WITNESS REPORT OF MICHAEL PLUMMER,
ARVEST PARTNERS, dated July 8, 2014**

SUBMITTED TO VICTOR WIENER, VICTOR WIENER ASSOCIATES, LLC on
July 25, 2014

PREPARED BY ZHANG YI

1. This report outlines the ways in which the Expert Witness Report of Michael Plummer of Artvest Partners, dated July 8, 2014 (**ARTVEST REPORT**) misinterprets Clare McAndrew's TEFAF Art Market Report 2014, to which I contributed as a co-author.
2. The Artvest Report identifies four major sectors of the fine art market: European Modern Art, Impressionist and Post-Impressionist Art, European Old Master Paintings, and Post-War and Contemporary Art. The Artvest Report compares the successes of these categories:

Of these four sectors, three have declined in value since 2011"; "While record prices have been set and growth has been significant in the Post War and Contemporary ("PWC") sector, other sectors of the art market have been stagnant, and, as mentioned above, some have posted declines in turnover in the last two years." (Michael Plummer's Artvest report, pp. 7-8)
3. The art market is a supply-driven market. The reason for which Impressionist & Modern paintings failed to meet expectations is the lack of high-quality works on the market.
4. The charts on pp. 7-8 of the Artvest Report show that a sector's turnover depends on the volume of work in the sector. More works in a sale will likely bring more turnover. The lack of works to sell explains the decline of Old Master works, Impressionist & Post-Impressionist works, and works of Modern Art.
5. In the TEFAF Art Market Report 2014, McAndrew explains differences in the performance of Impressionist and Post-Impressionist sector relative to other sectors:

The Impressionist and Post-Impressionist sector is now much smaller relative to Post War and Contemporary and Modern art, and its share of the fine art market was less than half that of Modern art in 2013 at 13%. Works by 15,300 artists were sold at auction in this sector, less than half that of the Post War and Contemporary sector and 10% less than the Modern sector. This can be explained to an extent by the increasing scarcity of Impressionist and Post Impressionist works: **for example, in 2013 just eight paintings by Paul Cezanne were sold at auction and only 25 by Claude Monet whereas hundreds of paintings by**

artists such as Andy Warhol or Pablo Picasso were sold during the year.

(Clare McAndrew, *TEFAF Art Market Report 2014*, p. 51)

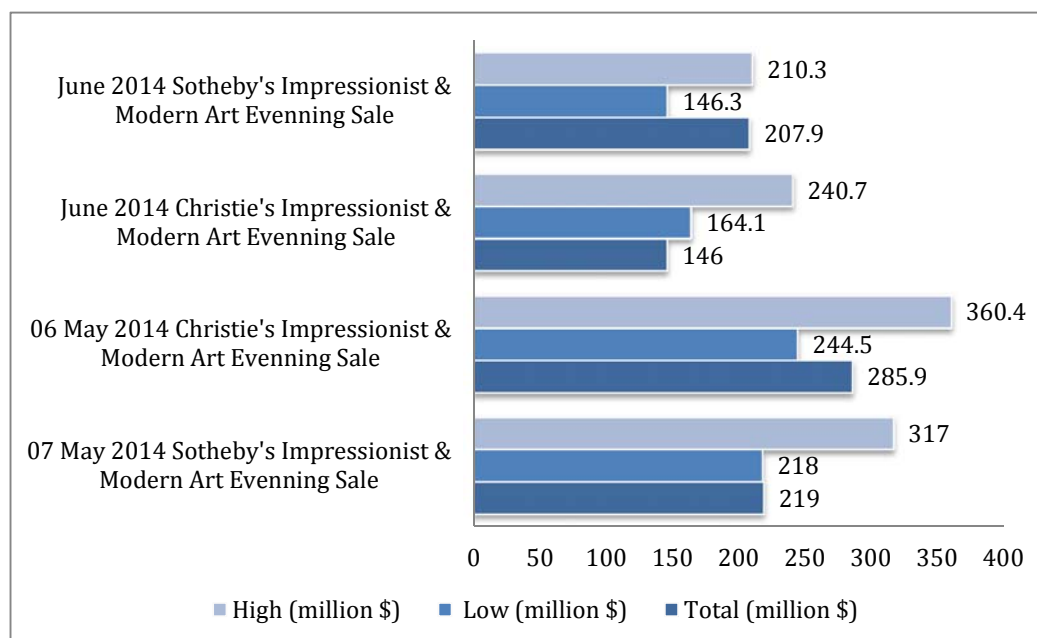
6. In the TEFAF Art Market Report 2014, McAndrew explains differences in the performance of the Old Master sector relative to other sectors:

Old Masters is the smallest sector of fine art, with just 10% of the total value of sales. In 2013, like the Impressionist sector, it suffered from a scarcity of major works with the highest quality works appearing on the market less frequently. (Clare McAndrew, *TEFAF Art Market Report 2014*, p. 53)

7. The Artvest Report is incorrect about Christie's auction data for the Evening Sales of Impressionist & Modern art. The turnover of that section on May 6th was \$285.9 million, and the estimate was between \$244.5 million to \$360.4 million.

8. Among four evening sales of Impressionist & Modern in 2014 (Chart 1), three of them were above their low estimate. Only one sold below its estimate, owing to the low quality of works offered. Art journalist Carol Vogel noted: "Top-flight Impressionist and Modern works are far harder to come by than choice contemporary works. And as was true at the sales last month in New York, both Christie's and its arch rival, Sotheby's, had to struggle to find material." Furthering the point, Vogel quoted prominent New York art dealer Dominique Lévy on the quality of the works in the sale: "'It was day-sale material,' referring to the less-expensive daytime auctions." (Carol Vogel, "At Christie's London Auction, Little Action", *New York Times*, June 24th)

CHART 1 Four Evening Sales of Impressionist & Modern in 2014



Source: VWA based on Christie's & Sotheby's Auction Data

9. On June 24th, 2014, Sotheby's Sale of Old Master & 19th Century Paintings & Drawings made \$11.1 million, the highest total for a sale in this category in France in the last 20 years. In their press release for this sale, Sotheby's said that the sale contained "a refined choice of rare artists and powerful, high-quality images," demonstrating that great works in this sector command strong prices. The performance of this sector depends not only on the quality of works, but also on verifiable authenticity and provenance, among other factors.

10. On July 9th, 2014, Sotheby held an Old Master & British Paintings Evening Sale In London. The sale made \$117.13 million, above its high estimate of \$116.79, the highest total the company has earned for the category in London, while a day before Christie's faced what art dealer Richard Feigen called "bloodbath" in the same category. The reasons for this contrast are evident in Scott Reyburn's explanations in a *New York Times* article.

A. Brand-name artists are an issue:

"There is an issue of branding here," said Andreas Pampoulides, head of fine arts and business development at the Mayfair branch of the Spanish dealers Coll & Cortés. "There aren't so many brand artists in Old Masters, but when they do appear, they can sell for stratospheric prices." (Scott Reyburn, "For Old Masters, It's All About the Name," *New York Times*, July 11th, 2014)

B. Issues of quality and provenance are important:

Sotheby's had the edge on this occasion thanks to quality paintings from four prestigious private collections, including the English aristocratic families of the Earl of Warwick and the Duke of Northumberland. (Scott Reyburn, "For Old Masters, It's All About the Name," *New York Times*, July 11th, 2014)

C. The subject and quality relative to expectations for a certain artist are relevant:

[...] Christie's included a painting [*Saint Praxedis*] catalogued as the work of Johannes Vermeer, 17th-century Holland's most coveted painter, despite debate over its authorship. [...] At the sale, the painting attracted little competition and was bought for \$10.6 million; including fees by an unidentified Asian bidder in the room, and the painting's low estimate is \$10.26 million "Collectors remained skeptical," the London dealer Charles Beddington said. "It wasn't a subject you want from Vermeer." (Scott Reyburn, "For Old Masters, It's All About the Name," *New York Times*, July 11th, 2014)

11. The Artvest Report states: “Both the Impressionist & Modern Paintings and PWC sale had significant and desirable works of art with many that had not been on the market for decades, yet the Impressionist & Modern paintings sale still performed below expectations and estimates” (Artvest Report p. 8, #24 a.)

12. There is no evidence showing that significant and desirable works from the Impressionist & Modern sector performed below expectations or estimates. On the contrary, when a significant and desirable work appears, it is much more likely to perform above expectations, and at least above its low estimate.

13. In June 2014, at Sotheby’s Impressionist & Modern Evening Sale in London, Monet’s painting *Nymphéas* made \$54 million, well above its high estimate of \$50.4 million. This painting failed to sell in 2010 because of a very high estimate of \$44.3 million to \$59.1 million. According to our experience, if a work has been bought in, it is unlikely to appear on auction for the next five years. This painting appeared on auction again after four years and achieved a price above its high estimate, even exceeding the low estimate four years earlier and showing clearly that if a work is highly desirable and significant, collectors will pay for it. This also shows that high-quality work is scarce in this sector.

14. The Artvest Report identifies the emergence of new art markets as an exceptional occurrence:

The significant growth in the size of the art market from 2002 – 2011 is a once in a lifetime event (due to the sudden addition to the global art economy of Russia, China, India and other countries that previously had not been active art collectors). This burst of growth is not likely to be repeated over the next five years. In fact, with growth now concentrated almost exclusively in the PWC sector, I estimate that excluding a price disruption in this sector (see below), growth of the art market will remain choppy over the near to mid-term in all other sectors other than PWC.” (Michael Plummer’s Artvest Report p. 10, # 25, b)

15. We cannot conclude that the growth of the art market from 2002 to 2011 is a once in a lifetime event. Another art market boom driven by the Japanese economic boom took place less than 30 years ago, from 1985 to 1990, during which period the size of art market tripled.

16. The size of art market depends highly on wealthy people. From 2001 to 2013, there was a continuous growth of the number of high-net-worth individuals (HNWI) and world wealth. There is considerable reason to expect global wealth to grow at an accelerated pace in the coming years.

17. McAndrew discusses emerging markets in the TEFAF Art Market Report 2014:

Each year, emerging markets are increasing their importance in the global wealth hierarchy and have been growing at faster rates than more developed markets, a trend that is expected to continue. Between 2000 and 2013, emerging markets nearly doubled their share of global wealth from 12% to 21%.” (Clare McAndrew, TEFAF Art Market Report 2014, p. 81)

18. In an economy that is facing easy monetary policy, people intend to allocate a great share of their wealth into tangible assets, such as real estate, art etc., to caution against uncertainty or further inflation. Indeed, the size of the art market has benefited heavily from the economic boom of Russia, India, and especially China. However, considering that the Chinese art market is largely a domestic market with very little Western artwork traded in Mainland China, its art taste should be further separated from that of the Western world. Before 2013, Chinese collectors were not very interested in Western artworks. Also, Asian artworks comprise only 3% of DIA’s collection. Taking that into account, we should remove the turnover of the Chinese art market from the global art market (CHART 2). Doing this, we can see that the size of the global art market was far from its second highest peak in 2008, even further from 2007, its highest peak. From this, we can see great potential strength in the future. Since 2013, Chinese collectors have shown great interest in Western artworks. Experts estimate that there are currently only about thirty major collectors of Western art in Mainland China. Serious Chinese collectors of Western art spend considerable amounts of money. For example, Chinese collector Zhang Lan spent \$29.145 million on Andy Warhol’s Little Electric Chair and Martin Kippenberger’s Untitled on May 12th, 2014 at Christie’s auction “If I Live I’ll See You Tuesday: Contemporary Art Auction.”

19. McAndrew also notes the recent increase in Chinese collecting interest in Western art:

Sotheby’s reported that since 2010, the number of Chinese clients bidding for non-Chinese works of art has increased 54%, with about 530 collectors from Mainland China spending \$378 million on Western works during the year. At Christie’s, registrations to bid at auction in London and Hong Kong from Mainland Chinese buyers have doubled.⁷² In November 2013, Wanda Group, one of China’s biggest property developers, attracted much public attention when it bought a Picasso work, *Claude et Paloma*, for \$28 million at Christie’s in New York. Various media sources also reported that a Chinese collector bid for the record-breaking Francis Bacon triptych up to \$120 million.” (Clare McAndrew, TEFAF Art Market Report 2014, p. 201)

Chinese collectors have entered the Western market slowly and with caution to date. However of the galleries interviewed, 80% felt that Chinese collectors were becoming more interested in foreign art.” (Clare McAndrew, TEFAF Art Market

Report 2014, p. 201)

20. The recent increase in Chinese collecting interest in Western art has also been reported in the mainstream press. Chris Michaud has written about it for Reuters:

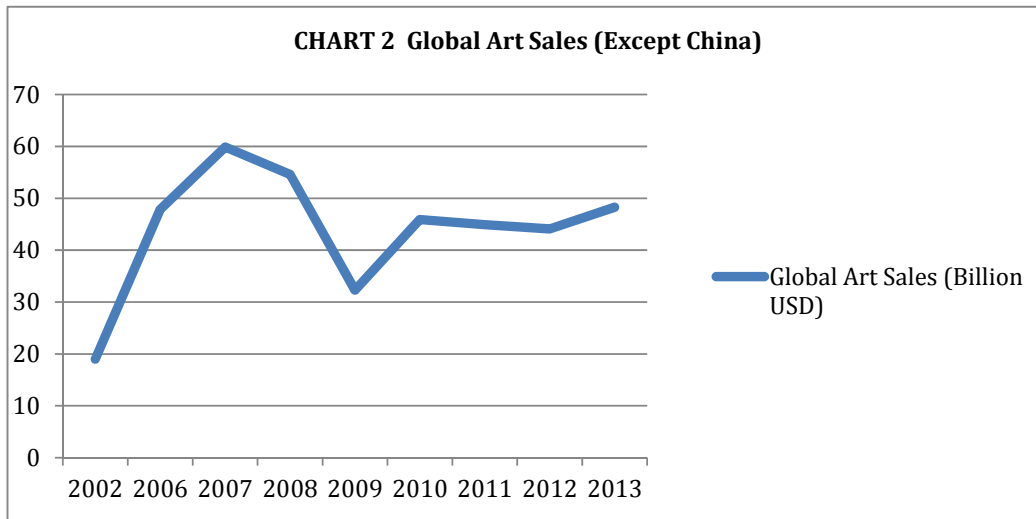
Asian buyers nabbed at least two of the sale's top 10 lots, including "Nymphéas," in a category that was once the near-exclusive purview of U.S. and European collectors. (Chris Michaud, "Christie's NY has its best Impressionist, modern sale since 2010 Reuters, May 6th)

Lampley said growing interest from Asians reflected "a growth in the Asian (art) market generally," as well as the auction house's relatively new presence in Mainland China. (Chris Michaud, "Christie's NY has its best Impressionist, modern sale since 2010," Reuters, May 6th)

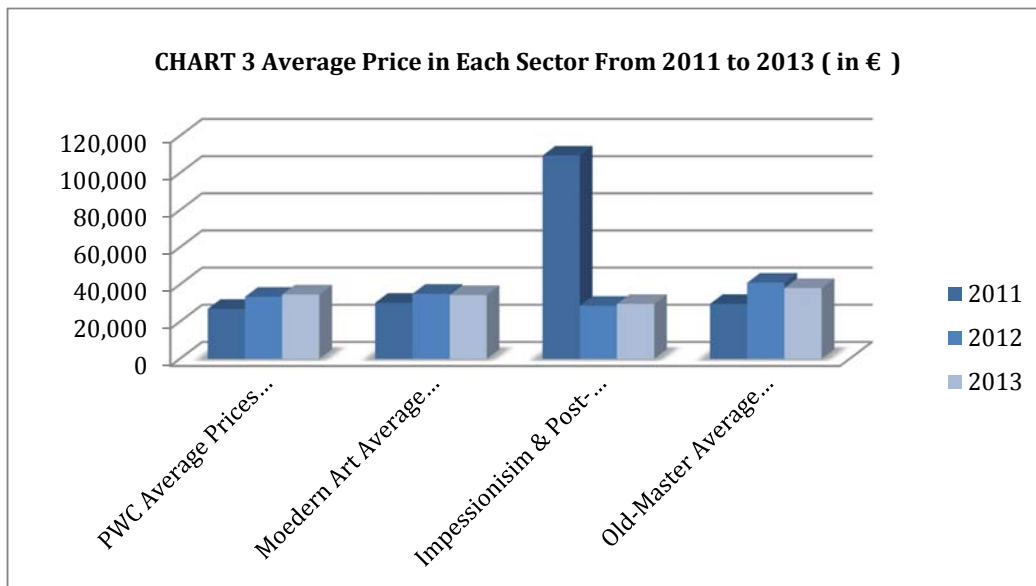
21. There is no evidence to validate the Artvest Report's suggestion that the "growth of the art market will remain choppy over the near to mid-term in all other sectors other than PWC." Nor is there any sign of validity to the Artvest Report's point: "As a consequence of this heightened focus of collectors on the PWC sector, I believe the sector could soon be reaching a "breaking point," (Artvest Report, p. 11, 26.)

22. From CHART 3, we can see that the average price of PWC has not had a dramatic boom from 2011 to 2013. The increase of its average price was mild. Also, the average price of the PWC sector was lower than that of the Modern Art sector and the Old Master sector. Except for Impressionism & Post-Impressionism, all other sectors have had mild increases.

23. Financially, a market can be called "over-heated" or "in a bubble" simply because the growth in high-quality assets of the market can dramatically affect the low-quality assets and, in this case, push up the price. In the PWC scenario, these trends were not evident. Even blue-chip artists breaking their records repeatedly did not affect second- or third-tier artists notably.



Source: VWA with data from Arts Economics



Source: VWA with data from Arts Economics

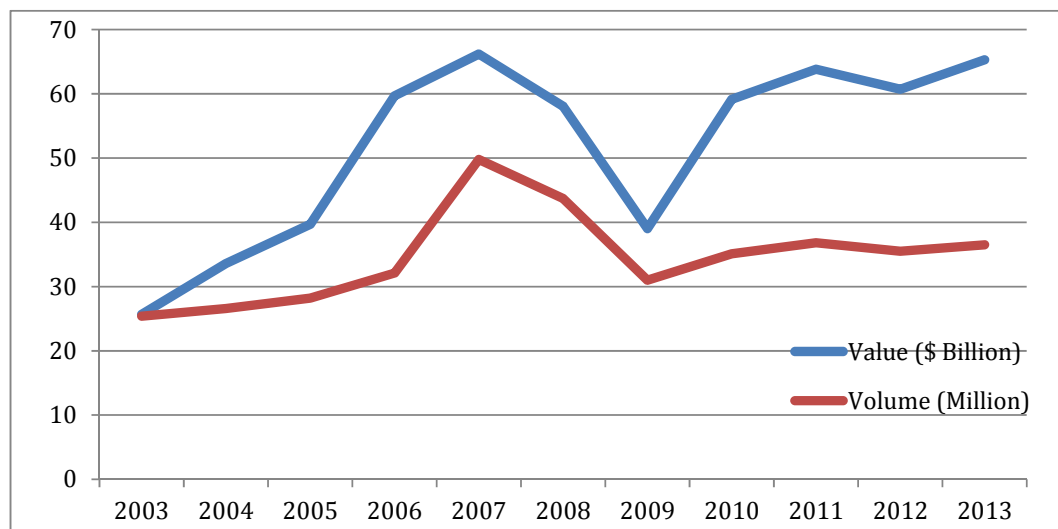
24. The Artvest Report discuss the impact of the financial crisis of 2008-09 on the art market:

When a market sector or the entire market “crashes,” as it did in the Autumn Season in 2008, it creates an illiquid marketplace where values often fall by as much as 50%, and property, especially that of the highest caliber, becomes either difficult to sell, and/or sells for a fraction of its previous value. From the previous market peak in 2007, to its nadir in 2009, the fall in sales was 54.6%.” (Michael Plummer’s Artvest Report p. 10)

25. When facing systematic economic risk, the art market will definitely be affected. However there is no evidence showing that the value will fall sharply. The turnover of the entire art market was falling deeply simply because collectors did not want to sell their collections in a decreasing market, and there were less volumes for trade.

Total Global Art Sales and Volumes 2003 to 2013

CHART 4



Source: VWA with data from Art Economics

26. CHART 12 in the Artvest Report shows that the buy-in rate nearly doubled in Nov. 2008. However, the high buy-in rate owed in large part to the collapse of the Emerging Asian Market and some “superstar” living artists.

27. Artprice Art Market Trends 2008 identifies buy-in rates for that year:

In 2008, the bought-in rate for works estimated above \$100,000 was 37.75% compared with 40.87% for those valued at between \$10,000 and \$100,000. At the Christie’s and Sotheby’s October / November sales of Modern and Contemporary Asian art in Hong-Kong 35% of the works remained unsold. On 30 November, Christie’s Asian art sale, there are 44% of the works had to be bought in. (Artprice Art Market Trends 2008)

28. Artprice Art Market Trends 2009 shows the effects in the following year:

Gupta, a figure-head of the Indian avant-garde, posted an annual total down 95% (from \$15.1m to \$627,000). Takashi Murakami, guru of the new Japanese art scene, saw his auction revenue divided by ten (\$3m in 2009 vs. \$32m in 2008). Damien Hirst’s revenue total was only 1/14th of its 2008 total. The big winner of the last manifestation of the acquisitive fever that consumed the market during its

speculative ascent - with no less than 65 results above the \$1m line in 2008 - signed only 2 seven-figure results in 2009. The year was also quiet for Jeff Koons, another major star of the Contemporary scene, whose revenue total dropped from \$89m to \$28m and whose prices contracted by 39% (2007-2009). (Artprice Art Market Trends 2009)

29. Artprice Art Market Trends 2009 discusses the Chinese art market that same year:

Likewise, the revenue totals of Chinese contemporary artists who shot to the top of the market in record times, were also substantially impacted by the crisis: Wang Guangyi's total shrank by 75% and Zhou Chunya's by 57%. Liu Ye's total contracted by 65%, Yan Pei-Ming's by 80%, Yue Minjun's by 84%, Zhang Xiaogang's by 86% and Liu Xiaodong's by 88%. (Artprice Art Market Trends 2009)

30. In 2009, we can see that the buy-in rate went back to normal, mostly because the auction houses were very cautious in selecting lots, and collectors did not want to sell their works during a recession.

31. Even in a recession, we can see that there were high-quality works from the Old Master sector, Impressionism & Post-Impressionism, and even the Modern sector and Post-War sector to sell. This trend is detailed in Artprice Art Market Trends 2009:

In the first quarter of 2009 there were 80 results above the \$1m line (half the number posted in the 1st quarter of 2008) of which 30 came from the Pierre Bergé/ Yves Saint Laurent sale, suggesting an exceptionally dynamic market for museum quality works. This happened just as Wall Street was posting its lowest level for 12 years (S&P 500 at 743.33 points). (Artprice Art Market Trends 2009)

The first big event in 2009 was Sotheby's Old Masters sale in New York. The catalogue was still large (289 lots) but demand had become very selective. The result was an unsold rate of 45%. The millionaire collectors were however still in the game and they bid a particularly rare work to above \$10m: the best result of the 29 January sale was \$11.5m for Joseph Mallord William Turner's The Temple of Jupiter Panellenius restored (\$500,000 short of its low estimate). (Artprice Art Market Trends 2009)

32. The 41% buy-in rate in November 2008 was the consequence of the financial crisis, which was possibly a once-in-a-lifetime event. The last financial crisis of such a magnitude was in 1929, and it is unlikely to happen in the next five years.

33. The Artvest Report identifies the role of Sotheby's and Christie's in the market:

At the higher end of the market, Sotheby's and Christie's are the preferred venue

for selling to achieve maximum sales value, as they have the greatest global reach amongst collectors and control over a third of the international auction market.” (Michael Plummer’s Artvest report, p. 14)

34. While it is true that Sotheby’s and Christie’s dominate the high end of the art market, the art market is a very diverse market, with numerous venues unique advantages. For example, Phillip’s is strong for emerging artists, and Poly Auction and Guardian Auction are strong for traditional Chinese paintings.

35. Artprice Art Market Trends 2010 shows Phillip’s strengths relative to any auction house:

The auctioneer (Phillips) also posted seven new records on the same day - all above the million-dollar line – for Felix Gonzalez-Torres, Cindy Sherman, Daniel Buren, Lee Lozano, Robert Morris, Rudolf Stingel and Thomas Schütte. (Artprice Art Market Trends 2010)

36. Considering the market capacity, it is wise to use multiple auction channels to deal with different sectors of works.

37. The Artvest Report attempts to demonstrate collecting disinterest in certain collecting categories:

A significant segment of DIA’s collection is in areas that have fallen out of favor with collectors and that are underperforming their market peak in 2007, specifically American Art pre-1950 (14.6%), Old Master and 19th Century European Paintings (28.1%), Impressionist & Modern Art (23.8%), for a total of 66.5% of the collection.” (Refer to Section IV.) (Artvest Report, p. 24)

38. There is no evidence showing that the sectors identified by the Artvest Report “have fallen out of favor with collectors.”

39. The Artvest Report quotes a line chart by Mei Moses Art Index in an effort to prove his conclusion. However this data does not prove the conclusion, because it is based on a very limited data sample. The Mei Moses Art Index is based on data from works that have repeat sales records in Christie’s and Sotheby’s, and so, there are only a few thousand samples that qualify for its indices. Every year tens of thousands of works are sold through auctions and private dealers, so this is a very narrow sample for the art market, and it cannot represent greater art market trends. For example, from 1990 to 1991, the art market retracted significantly, but the Mei Moses Art Index still shows a mild increase for that period. Also, the methodology of the Mei Moses Art Index does not accurately reflect the importance of individual artists or the quality of individual artworks, which are critical matters for sales. Also, the line chart does not show negative returns on each sector; we can only see positive returns on all sectors.

40. The Artvest Report discusses the effects of offering a large volume of work:

Selling a large block of property into a market that exceeds its liquidity or capacity is a high risk strategy. Even the most liquid of the sectors, PWC and Impressionist & Modern, have capacity limitations.” (Artvest Report, p. 30)

41. While capacity limitations may apply, such limitations are based on the amount of wealth held by HNWI and the number of collectors in those areas. Using sales values based on Christie’s and Sotheby’s to calculate that limitation is speculative and narrow.

Submitted By: Zhang Yi

Attachment C

Barth Report

REVIEW OF EXPERT WITNESS REPORT OF MICHAEL PLUMMER, ARTVEST PARTNERS LLC, dated July 8, 2014

SUBMITTED TO VICTOR WIENER, VICTOR WIENER ASSOCIATES, LLC on July 24, 2014

PREPARED BY JANNETTE M. BARTH, PH.D., PEPACTON INSTITUTE LLC

BACKGROUND:

Pepacton Institute LLC (the "Company") was retained by Weil, Gotshal & Manges LLP ("Counsel") in connection with Counsel's representation of Financial Guaranty Insurance Company ("the Client") to assist Victor Wiener Associates, LLC (VWA) in the preparation of an appraisal report of works of art in the collection of the Detroit Institute of Arts (DIA). I am an Economist and Managing Director at the Company. I have extensive experience concerning economic issues related to art valuation. In addition to having multiple degrees (B.A., M.A. and Ph.D.) in economics, I have a Certificate in Personal Property Appraising from New York University and a Certificate in Fine and Decorative Art from Sotheby's Institute of Art. I have consulted on many art appraisals and have served as an expert witness on numerous art valuation cases. I have taught both undergraduate and graduate courses in economics at several colleges and universities, and was a senior faculty member, teaching art economics and finance, in the graduate art business program at Sotheby's Institute of Art. I have authored articles on blockage discount and regularly lecture on the topic. In addition to specific work in the art market, I have over 35 years of experience conducting economic analysis in various sectors. A full CV is attached. The Company is being compensated at the rate of \$300 per hour for my time.

In connection with the Company's engagement, I prepared this written review of a valuation conducted by Artvest Partners LLC.

Neither I nor the Company has a financial interest in the DIA works of art; neither is affiliated with an auction house, art dealer, or art investment fund; and neither is an adviser regarding investments of any kind.

In connection with this review, I was provided with copies of the following documents:

- (1) Artvest Partners LLC, Expert Witness Report of Michael Plummer, July 8, 2014, with Exhibits A through G.

- (2) Houlihan Lokey, Catalog of Information Concerning Artwork Housed at Detroit Institute of Arts, with Christie's Appraisal attached as an Appendix.

In addition, the following document was reviewed:

TEFAF 2014 Art Market Report

This review report does not value any of the works in the DIA collection. The appraisal firm, VWA, is solely responsible for final valuation figures. This report provides only a review of Artvest's methodology applied in the valuation of works in the DIA collection, with particular attention paid to the economic assumptions Artvest uses in arriving at its conclusions. This report is intended to assist VWA in its own valuation of the works.

SUMMARY OF FINDINGS:

- While it is recognized that this valuation assignment is challenging due to its size, complexity and short deadline, there are a number of elements in the Artvest report that indicate that the valuation presented by Artvest is inaccurate.
- Artvest discusses a number of economic factors in the report, and the presumed relevance of these economic factors is unsubstantiated.
- Artvest has used questionable valuation methodology and unsupported assumptions in its valuation.
- It appears that the valuation conclusions stated by Artvest are unrealistically low.
- While the Artvest report frequently references the TEFAF 2014 Art Market Report, it omits relevant findings in the TEFAF report and misinterprets other findings.
- Artvest accepts and relies on Christie's valuations for a small portion of the entire collection, but there are concerns regarding Christie's valuations.
- The Artvest report does not provide sufficient information or justification for its valuation methodology or many of its assumptions.
- Artvest appears to be unclear about the concept and application of blockage discount.
- Artvest applies discounts to the final valuation, without offering sufficient supporting evidence that such discounts should be applied.

This review of the Artvest valuation report is organized into the following five sections:

Use of the TEFAF report
Reliance on Christie's Valuation
Valuation Methodology

Analysis and Application of Discounts
Impacts of Artvest's Assumptions on Valuation

USE OF THE TEFAF REPORT:

While the Artvest report frequently references the TEFAF report, it disregards several key findings. In fact, in some instances, the conclusions drawn by Artvest appear to be counter to those of the TEFAF report.

(a) Performance of the Art Market by Sector as Interpreted by Artvest

Artvest's paragraph no. 23, Page 7, states,

Four sectors of the art market constitute 98% of the value of the fine art market: European Modern Art, Impressionist and Post-Impressionist Art, European Old Masters Paintings, and Post-War and Contemporary Art. Of these four sectors, three have declined in value since 2011.

This statement is somewhat misleading. It is clear from the charts in TEFAF and reproduced in the Artvest report, that value and volume both peaked in 2011. The fact is that 2011 appears to be an outlier. Artvest does not point out that the charts show that for all three sectors referenced, European Modern Art, Impressionist and Post-Impressionist Art, and European Old Masters, the 2012 and 2013 estimates of volume and sales exceed pre-recession levels.

While it is widely recognized that the Post-War and Contemporary Art Sector has been the most celebrated in the marketplace of late, this does not mean that the others have been in decline.

In paragraph no. 24, Artvest cites two recent evening auctions to support its conclusion regarding the Post-War and Contemporary Sector relative to other sectors. It is highly suspect to rely on only one or two observations when estimating or forecasting.

In paragraph no. 37, Artvest applies the discussion of the market performance of the major sectors to the DIA collection. Artvest states,

"A significant segment of DIA's collection is in areas that have 'fallen out of favor' with collectors and that are underperforming their market peak in 2007, specifically American Art pre-1950 (14.6%), Old Master and 19th Century European Paintings (28.1%), Impressionist & Modern Art (23.8%), for a total of 66.5% of the collection."

And yet, the TEFAF report states on Page 37 that the Modern Art sector “has more than doubled in value since the low point in 2009, and has grown by over four times in ten years.”

Regarding Impressionist and Post-Impressionist, the TEFAF report states on Page 38,

This sector peaked in 2011 when total sales reached € 1.7 billion, an increase of over 140% from their low point in 2009. However, both values and volumes dropped in 2012 (by 26% and 14%, respectively), before returning to growth in 2013. Sales grew 9% in value year-on-year reaching € 1.4 euro billion, below the peak of 2011, but above any level previously recorded since 2000.

And regarding Old Masters, the TEFAF report states,

Old Masters is the smallest sector of fine art, with just 10% of the total value of sales. In 2013, like the Impressionist sector, it suffered from a scarcity of major works with the highest quality works appearing less frequently on the market.

If some major works of the highest quality, with impeccable provenance from a highly regarded collection such as DIA, appeared on the market, it is quite likely that there would be great interest. It is suspect to claim that these major sectors have “fallen out of favor.”

Regarding the large, very popular and sales record holding Post-War and Contemporary Art Sector, Artvest suggests that this Sector has reached a peak. With the general economy improving, the continually increasing wealth at the high end of the income distribution worldwide, and continuing increased interest in art as investment by financial experts such as hedge fund managers, it is far from clear that the Post-War and Contemporary Sector has reached its peak.

(b) Key findings of TEFAF Report More Optimistic than Artvest

Several important findings listed in the TEFAF report, even included in its list of Key Findings featured at the beginning of the TEFAF report, are not mentioned in the Artvest report. These TEFAF findings give a much more favorable impression of the condition of the general art market than is implied in the Artvest report.

The first three key findings listed in the TEFAF “Key Findings” are the following:

Key Finding 1: “The international art market reached € 47.4 billion in total sales of art and antiques in 2013, close to its highest ever recorded total, and advancing 8% year-on-year.”

Key Finding 2: “The volume of transactions in the global market also increased in 2013, but by less than the growth of value, indicating that a significant part of the uplift of the market was due to higher priced works, rather than simply more works sold.”

Key Finding 3: Sales in the US in 2013 increased by 25% in value year-on-year, confirming its position as the key center worldwide for sales of the highest priced art.

(c) Relevance of TEFAF findings to DIA Valuation

Artvest’s references to the TEFAF report are included in this review only because the Artvest report appears to rely heavily on the TEFAF report.

The reality is that basing an appraisal on general art market trends can result in inaccurate valuations.

The DIA collection is noted to be exceptional. It is highly unusual for such a collection to be offered on the market, and the general art market trends that are analyzed in the TEFAF report and are reflected in various price indices, such as Mei-Moses (also referenced by Artvest), are not at all applicable to valuing such a unique and highly regarded collection.

As Artvest focused on such general analyses, a few words on their accuracy and usefulness should be mentioned.

Many sales are not reflected in such indices or reports. Even the TEFAF report states on Page 24,

The transparency of prices and the public nature of sales data in the auction sector have made it the basis for much of the analysis and research into the art market. However even auction houses now increasingly involve themselves in private sales and online selling, both of which are often not in the public domain.

It goes on to state that “in 2013 private sales at Christie’s increased 18% year-on-year to \$1.2 billion or 17% of their total sales in 2013. Sotheby’s private sales grew 30% to \$1.2 billion, also representing 17% of total sales.”

Articles in the press that compare art price indices to other more traditional investments can be interesting, however, art price indices are generally not helpful in appraising art. They are calculated on the basis of repeat sales at auction. Of course, other price indices, such as the Consumer Price Index or the S&P 500, etc., are also based on volume and price over time, but each share of common stock in a given corporation, say for example Microsoft, has identical value. Each work of art, even by the same artist, is likely to have a unique value. In the case of artworks, the

value depends on many factors, including provenance, style, rarity, condition, medium, size, frame, etc., and these are not reflected in the art price indices.

In addition, it is likely that any index of art prices based on repeat sales has an upward bias because many works that are sold at auction will return to the marketplace only if the value has increased. It is likely that, if at all possible, an owner of a highly valued work of art will attempt to wait out a down market. An art price index, thus, may not reflect the works that drop in value or even become unsalable.

RELIANCE ON CHRISTIE'S VALUATION

While the methodological approach to valuing the large quantity of works is not explained clearly in the Artvest report (more on this below), it is clear that much of the valuation is based on Christie's appraisal. Christie's had been retained to value 2,773 works in the collection, which Christie's was told represented the works purchased by the City of Detroit (COD). Artvest has accepted Christie's valuation for these works. In addition, Artvest applied average values by sector from the Christie's valuation to assign values to a large quantity of remaining works (57,181 works).

Christie's valuation of the 2,773 COD works was given as a range, from \$454 million to \$867 million.

It is a concern, but not surprising, that Christie's valuation of fair market value reads more like an auction catalog than a qualified appraisal. Normally, a qualified appraisal discusses and compares comparables, especially for the high value works. I did not see a discussion of comparables associated with the Christie's appraisal. In addition, the wide range of values given is highly unusual in a qualified appraisal.

It is not unusual to have a wide range of estimates for certain individual works in an auction catalog, but in the end there is one hammer price.

The value range presented by Christie's where the upper end of the range is almost double the lower end, is highly imprecise. And the fact that Artvest relies on this wide range of values to apply averages to the bulk of the works, causes the total valuation of the works by Artvest to be highly suspect.

VALUATION METHODOLOGY

It is impossible to review in detail the valuation methodology used by Artvest because there is insufficient support given for the value determinations.

Tables 1 and 2 of the Artvest report appear to be intended to summarize the methodology used by Artvest in valuing the works. However, there are few details provided.

As discussed above, Artvest relied on the Christie's valuation for the works purchased by COD. The Christie's valuation is straightforward, rather like an auction catalog with high and low estimates. (Again, there is no discussion of comparables by Christies.)

The following is my understanding of Artvest's approach to the valuation.

Artvest grouped COD works valued by Christie's into two groups:

Group 1. High value COD works that were appraised by Christie's for greater than \$750,000 (68 items); and **Group 2.** COD works appraised by Christie's of lower value, that under \$750,000, including property for which they assigned limited or no value (1,654 with value, 1,038 with limited to no value, and 13 that were combined in Phase III.)

Artvest then created three additional groups as follows: **Group 3.** High value Non-COD works in the DIA works (of works insured for greater than \$1 million) totaling 350 works; **Group 4.** Another 73 works based on a personal tour of the museum; and **Group 5.** Balance of the Collection.

The 350 works in Group 3 are listed, in spreadsheet form, attached as Exhibit G to the Artvest report. It appears that each value is based on a range of estimates from an auction catalog and not the hammer price, as is normally the case. In addition, while there is a column titled "summary of valuation support," in many cases what appears in this column is, "Summary not provided." Based on Exhibit G, approximately 50% of the works in this section were valued on the basis of comparables. Comparables are omitted for the other 50% of the works.

There are no comparables at all for the items in Group 4. The author states, "Based on a tour of objects on view in Museum in June 2014, another 73 works I determined to be High Value, which are likely to have values in the range of \$750,000 or higher." The author simply states, "As these were discoveries late in the process, I have put an approximate valuation on these items and will provide a fuller evaluation and documentation in a supplement to this report." [Note that I have not received a supplement, so this portion of the valuation cannot be reviewed, other than to say that the value assigned here is arbitrary.]

Values for the works in Group 5, the balance of the works, or 57,181 works, were based on Christie's valuation. The valuation of Group 5 is impossible to review due to the fact that insufficient details are provided. It is stated that "the balance of the DIA's collection was evaluated by sector using the sample valuation data of the COD works appraised by Christie's with a low value of at or below \$750,000, and applying an average price, sector by sector, based on that data."

The details, however, are not provided, so the reader does not know what are the average prices, sector by sector, that were applied. The reader further does not know the number of items in each sector. If a series of calculations was performed, a summary of such calculations should be provided, perhaps in the form of a spreadsheet, so the reader can fully understand and assess the methodology. It is worrisome that almost \$1 billion of value, representing 57,181 works, is based on non-transparent methodology.

On Page 19, the Artvest report states that for works with a value below \$5,000, a value of zero is attributed. This seems shortsighted in light of the large number of works in the collection (60,000). Obviously, if there are even 1000 works with a value of \$5,000, the cumulative value is five million dollars, not an insignificant value. While the author claims that neither Sotheby's nor Christie's would want to sell these works, there are many other market places for works of this value. And even Sotheby's recently announced the formation of a partnership with Ebay to sell more works online. This may result in far more sales by Sotheby's at the less than \$5,000 level.

Discussion of online sales in the TEFAF report states (page 28),

The main focus of online companies has been on the middle market for authentic, original works worth between a few hundred euros to a maximum of around € 100,000...While worries over provenance and authenticity have tended to keep the online market focused on lower price points, this ceiling is gradually shifting upwards.

The TEFAF report estimates that "online sales in the art market could grow at a rate of at least 25% per annum, meaning that they could exceed 10 billion euros by 2020."

An effort should be made to determine how many works are valued at \$5,000 and below before simply assigning a value of zero. Again, many works sold at the \$5,000 level may result in significant revenue. There is no evidence that either Christie's or Artvest attempted to inventory these works.

Using non-transparent methodology, omitting comparables, and making arbitrary unsupported assumptions to support valuation conclusions for such a large and important collection cause the reader to lack confidence in the Artvest valuation.

ANALYSIS AND APPLICATION OF DISCOUNTS

Perhaps the most curious statement in the entire document is paragraph no. 39 on page 26.

In this section, I anticipate and quantify various different potential factors that, based on either current market conditions or historic precedent, are likely to have a financial effect on the sale of the art from the DIA collection. Many of these factors are not taken into account in any standard appraisal or fair market valuation. I also apply the discount factors for various sale scenarios.

I have been consulted as an economist on art appraisals for the past 20 years, representing well over one hundred appraisals and hundreds of thousands of individual works of art making up these appraisals. I have never heard such a statement from a qualified appraiser.

A well documented, thorough valuation, whether is it based on marketable cash value, fair market value, or other, considers each and every factor that may influence a value conclusion.

In fact, in a fair market valuation of a large group of works, it is imperative that the application of a blockage discount be considered. There is no question that the appraisal assignment at hand involves a large group of works. There are over 66,000 works in the DIA collection.

The Artvest report discusses various separate discounts as follows:

1. Immediate liquidation discount
2. Blockage discount
3. Discount for unsold rates
4. Discount for not selling through Sotheby's or Christies
5. Discount for market capacity
6. Discount for a longer term sale process
7. Discount for a market backlash
8. Discount due to a PWC market crash

I maintain that at least four of these discounts would be encompassed by a properly executed blockage discount analysis.

The author references a narrow definition of the concept of blockage discount, and states that "the IRS's current practice of using a discounted number has ranged from 25% to 46%." The author has referenced dated tax cases and appears to be behind the times with respect to the application and determination of an appropriate level of a blockage discount.

I have been involved in valuation cases in which the percentage discount has been as low as 5% and as great as 99%. I have been consulted on blockage discount analysis for IRS appraisals, both for estate and for gift tax purposes, for insurance damages claims, for litigation involving injured parties, for gallery valuations, and more.

A blockage discount would be applied if immediate liquidation were required of a relatively large block of works. So, a liquidation discount would be covered by a proper blockage discount analysis.

The concept of blockage discount theoretically refers to the discount resulting from a large block of similar items being put on the market at one time, thus depressing the value. The concept, originally used in valuing securities, is relevant to valuation in the art market when a large block of similar works of art is put on the market at one time, or must be valued as of one point in time. Blockage discount must be considered whenever a mass appraisal (as defined by Standard 6 of the Uniform Standards of Professional Appraisal Practice) is conducted. It is especially relevant in valuing the estate of an artist or collector where the estate is comprised of many similar works. However, it is applicable in many other cases as well, as shown above.

If it is determined that a blockage discount should apply, then various factors must be considered. Wherever possible, the following factors are considered in the determination of blockage discount and/or the base valuation before a discount is applied:

- The reputation of the artist and the market's acceptance of the artist's work.
- The likelihood of future markets for the artist's work
- The date of the work relative to the artist's most popular style.
- The quality, size and condition of the work relative to the artist's best work.
- The location of the works relative to the location of the best marketplace for the works.
- The stability or permanence of the artist's reputation and the related expectation of appreciation or risk of depreciation of the works until they are likely to be sold.
- The length of time necessary for the market to absorb all of the work
- The determination that the works are part or all of a series by the artist
- The expected health of the art market and the general economy, especially the expected rate of price increase during the period of time it would take to sell the works.
- The carrying costs associated with selling the works over a long period of time, such as storage, insurance, maintenance, display and marketing.
- The opportunity cost of bulk purchase and long term resale of the works, or the relative returns that can be expected from alternative investments.
- The provenance and specifically, whether the artwork is currently the property of the artist or the artist's estate.
- Whether there are known collectors of these works who may be willing to buy a large block of these items at a non-discounted value.
- Sales before and after the date of valuation.

In determining an appropriate level of blockage discount, one would consider the impacts of an immediate liquidation, the impacts of the time value of money and thus a present value concept, and the impacts of the ability of the market to absorb the works given market capacity (or how many similar works can typically sell at a given time).

Artvest considers a separate discount for market capacity. Clearly, a blockage discount encompasses this consideration by taking account of how long it would take for the market to absorb the works.

In the case of the DIA collection, the application of a blockage discount does not seem appropriate. Even with limited marketing and far less than full information, I understand that there are indications of interest pending for the purchase of the full collection. In addition, as Artvest has astutely pointed out, the collection is highly important, describing it as "world class."

On Page 25, Artvest affirms the importance of the collection by stating, "A collection of the quality and range of the art in the DIA would be impossible to recreate in current times." And VWA has identified that there is general agreement among experts that the collection is extraordinary and one of a kind.

It is possible, upon a detailed inventory and valuation of the works, that some individual categories of works may be identified for which the application of a blockage discount would be appropriate. However, there is insufficient time to do this for the expansive collection, and in light of the importance of the overall collection, I would not recommend that a blockage discount be applied.

Again, four of the discounts suggested by Artvest (immediate liquidation discount, blockage discount, discount for market capacity, discount for a longer-term sale process) are encompassed by the concept of blockage discount, and it seems that the application of a blockage discount would not be appropriate in this case.

Turning to the remaining discounts suggested by Artvest, they include a discount for unsold rates, discount for not selling through Sotheby's or Christie's, discount for a market backlash, and discount due to a Post War and Contemporary Sector market crash.

Artvest applies a discount for "unsold rates." In some cases, works are unsold simply because the auction estimate was too high. One must be cautious in making assumptions based on unsold rates. A comprehensive appraisal would consider unsold rates if the type of work being valued had significant unsold works. In fact, in calculating blockage discount, I often consider works that actually sell as opposed to being offered for sale and remain unsold. Again, however, in the case of this collection, the assumptions should be that any works to be sold at auction are given the correct estimate, and that they are likely to sell.

Artvest points out that the likely marketplaces for works are Sotheby's and Christie's. They point out that the highest valued works are most successfully sold at these two major auction houses. As far as a discount for not selling through Sotheby's or Christie's, in my opinion the collection is so large that if it were to be sold, it would be most appropriate to distribute it among many auction houses, of which Sotheby's and Christie's are only two. Of course, the works should be consigned to the various auction houses on the basis of each house's experience and success in selling each type of work. The logical way to sell the works is to distribute the sales across various auction houses, and time the sales well, as a successful high profile sale from an important collection can encourage a higher price for a lower valued piece from the same collection.

I also think that a discount for a market backlash is inappropriate. Again, the collection is highly important and visible, and any potential buyer would know the reason for the sale. The DIA potential sale is beyond the control of the DIA, and potential buyers will know this. VWA has compiled many examples of public collections selling works without Artvest's so-called backlash discount. In some cases, the provenance of having been part of an important public collection may increase the value.

Regarding a discount for an impending Post-War and Contemporary Art market crash, a qualified appraisal values the collection as of a single date, the date of valuation. There has not been a Post-War and Contemporary art market crash as of the date of valuation. And there is no evidence that such a crash is likely in the near future.

In my opinion, no discounts should be applied to the valuation of works of art in the DIA collection.

IMPACT OF ARTVEST'S ASSUMPTIONS ON VALUATION

Many of the various unsupported assumptions and value adjustments made by Artvest have the effect of decreasing the valuation of the collection.

For example, in Tables 6 and 7, where Artvest applies various discounts (discounts that I think should not be taken at all), the calculations were done for only the low estimate and the mid estimate from Table 2, not for the high estimate. No explanation is given for omitting the high estimate in these calculations.

Regarding its Unsold Discount Factor, in the narrative (page 28), Artvest states

It is customary business practice to devalue a work by 20% of the low estimate after it has been 'bought in' – auction terminology for a work of art going unsold.

And then in the Tables 6 and 7, the Unsold Discount Factor is not printed, but based on the quantity of the discount, it can be determined that Artvest applied a discount closer to 25%, without giving further explanation.

Some of the discount factors used by Artvest are entirely arbitrary. For example, on Page 29, it is stated,

The Impact of Not Selling through Sotheby's or Christie's is a subjective number to calculate...Nevertheless, I estimate that the impact of selling the DIA collection through an auction venue other than these two houses would result, at a minimum, of a loss value of 20% to 40%.

Artvest did indeed apply the arbitrary discount of 20% in this case.

In the discussion about the Effect of Longer Term Sale Process (which, as explained above, should be encompassed into a proper blockage discount analysis, if relevant to the valuation assignment), Artvest bases its estimate of the number of years to sell on the experience of the British Rail Pension Fund, and then approximately doubles it. The British Rail Pension Fund situation is not comparable to the DIA situation. The works in the Pension Fund were purely for investment, quite unlike the collection of a renowned museum. And the sale experience of the Pension Fund's works is dated. It would be more accurate to base it on an analysis of similar works (and numbers of them) that have appeared on the market in recent years. Also, Artvest used a discount rate of 12% for the discounted present value calculation, which seems a bit high in light of the currently low level of interest rates. The choice of an appropriate discount rate in present value calculations is always subject to controversy. A relatively high discount rate will decrease the present value, and a low discount rate will increase the present value. Frequently in a blockage discount analysis, as in business valuation, the long-term Treasury security rate is viewed as a risk free rate of return, the minimum to which upward adjustments are made to reflect different elements of risk. With long-term Treasury security rates currently in the 3% to 4% range, a discount rate of 12% seems high even in light of the increased risk associated with holding art.

CONCLUSION:

This valuation assignment is difficult due to the vast number of varied works, the quality of the collection, its provenance and its notoriety. Such a complex appraisal requires significant due diligence and a logical, transparent, and defensible methodological approach. Any assumptions used must be justified, using support well beyond any one individual's personal opinion.

In the case of any collection, I always recommend that a well-supported, defensible appraisal be the goal. There are many cases where incomplete information and/or time constraints cause a valuation to be rushed and short cuts to be taken.

However, there are logical analytical approaches to sampling that should be applied to achieve the most accurate valuation.

As evidenced by the comments throughout this review, the Artvest valuation report is flawed and thus does not provide a reliable, well-supported valuation of the DIA collection of works. Statements of value and of underlying economic constructs are often stated as the opinion of one individual who is neither a qualified appraiser nor an economist with economic education beyond the undergraduate level. Unless and until support can be produced for the claims made in this report, the valuations cannot be considered reliable.

Finally, the application of a variety of discounts, arbitrarily selected without solid justification, suggests that Artvest or the author of the report may be purposefully valuing the collection conservatively rather than objectively and accurately.

Submitted By: Jannette M. Barth, Ph.D.
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Pepacton Institute LLC

Attachment D

**Select Slides from Uniform Standards of Professional Appraisal Standards course material
written by the Appraisal Foundation**

NYU USPAP 2014 PPPPT-Day1A.pdf (page 8 of 111)

INTRODUCTION

The Purpose of USPAP

SM Page 1-1

- Clients hire appraisers to resolve appraisal problems...
- *USPAP EXISTS to promote and maintain a high level of **PUBLIC TRUST** in appraisal practice by establishing requirements for appraisers.*

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SM Page 1-1
Day 1—Slide 9

NYU USPAP 2014 PPPPT-Day1A.pdf (page 9 of 111)

INTRODUCTION

The Purpose of USPAP

SM Page 1-1

- USPAP provides
- Common basis for comparison
- Reference source
- Basis for uniform enforcement for state regulatory agencies
- Reason for clients, other intended users, and the public to place their **TRUST** in the services performed by professional appraisers

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SM Page 1-1
Day 1—Slide 10

NYU USPAP 2014 PPPPT-Day1A.pdf (page 15 of 111)

INTRODUCTION TO USPAP

History of Appraisal Standards SM Part 1-4

Three critical issues recognized

- Providing **credible** appraisal services
- Ethical and competent individuals
- Professional services that create **public trust**

© 2014 by The Appraisal Foundation SM Part 1-4
Day 1—Slide 16

Attachment E

DIA Inventory Page, Missing Photograph Example



Prints, Drawings & Photographs

Prints

Unknown, American

Walt Whitman

United States

Half tone print

Gift of Mr. and Mrs. Charles E. Feinberg

PROVENANCE

not documented

DIA no. F78.125

Unknown, American

(Untitled)

1977

Color lithograph

Gift of Marshall Schuster

PROVENANCE

not documented

DIA no. F78.130.1

Unknown, American

(Untitled)

1977

Color lithograph

Gift of Marshall Schuster

Attachment F

DIA Inventory Page, Mislabeled “Unknown, American” Examples



Unknown, American

Fragment of Tiraz Textile

Egypt, Fatimid, 12th Century

Weft faced plain weave with eccentric and discontinuous wefts (tapestry); one end hemmed with linen in whip stitch

2 3/4 x 5 in. (6.99 x 12.70 cm)

Pressure-mounted with 29.393.

City of Detroit Purchase

PROVENANCE

Formerly in the collection of:

Dorothea Russell

DIA no. 29.401



Unknown, American

Fragment of Tiraz Textile

Egypt, Fatimid, 12th Century

Balanced plain weave (tabby); weft faced plain weave with discontinuous wefts (tapestry)

8 3/8 x 4 5/8 in.

21.4 x 11.6 cm

City of Detroit Purchase

PROVENANCE

Formerly in the collection of:

Dorothea Russell

DIA no. 29.402



Unknown, American

Transylvanian-Church-style 'Lotto' Rug

Ushak, Western Anatolia, Turkey, Ottoman, 17th Century

Wool

67 1/2 x 46 in.

Gift of Mr. and Mrs. Harold J. Quilhot

PROVENANCE

Ex coll.

Vincent D. Cliff (Detroit)

Mary Cliff (Mrs. J. F. Brandmier), daughter of V.D. Cliff

Harold J. Qilhot

DIA no. 70.926



Unknown, American

"Lotto" Rug with Arabesque Design

Ushak, Western Turkey, Turkey, Ottoman, c. 1550/1600

Wool pile on a wool foundation

135 x 77 in.

342 x 195 cm

Gift of Dr. Eva Cassirer, 2000

PROVENANCE

From the collection of Alfred Cassirer, lent to the DIA by his daughter, Eva Cassirer from 1948-2002. In 2002, most of the Cassirer carpets went back to Berlin, but this one was left as a gift to the DIA.

DIA no. F49.7

Attachment G

Article on *L'incanto dell'affresco*

Italy: The charm of the frescoes

6-06-2014

Filed under [News](#), [The Church in the world](#)



Under the title “*L’incanto dell’affresco*” (the charm of the fresco), the Museum of Art in Ravenna is displaying 110 frescos: “detached masterpieces from Pompeii to Giotto, from Correggio to Tiepolo”. The exhibition, which will run until June 15, 2014, was organized by **Claudio Spadoni**, artistic director of the Museum, and **Lucia Ciancabilla**. It is divided into six sections, arranged in chronological order of their detachment, thus tracing the history and the popularity of the practice of detaching wall paintings. This display of paintings that have been wrested from walls and partitions of public, religious or private monuments, reviews the three chief methods of cutting out frescoes, their restoration, and also the conservation of the ancient heritage of Italian painting, with extremely valuable loans from places in Italy and abroad.

The first stages of detachment go back to Vitruvius and Pliny, where the removal of frescoes is done together with part of the supporting wall, as was the case with the *Face of Christ* by Fra Angelico or Melozzo de Forlì’s music-making *Angels*. Until the late 19th century, a large number of masterpieces of Italian painting were snatched from the vaulted ceilings of churches and chapels, from the walls of public and private buildings that had housed them for centuries, in order to transport them to safer places.... Behind the evident needs for conservation there were often hidden motives of the collectors.

On this occasion, the Museum of Art in Ravenna, housed in a 16th-century building, is displaying several of the most beautiful paintings of Pompeii and Herculaneum, as well as others by Giotto, Buffamacco, Altichiero, Vitale da Bologna, Pisanello, Signorelli, Pontormo, and Tiepolo, to mention only a few.

On the Adriatic coast, in Emilia-Romagna, the city of Ravenna had as its first bishop Saint **Apollinaris**, who had come from Antioch to Rome with Saint **Peter** and died a martyr on July 23, 87 A.D.; he was buried in Classe, the port of Ravenna. The capital of the Roman Empire in the 5th century, and then of Byzantine Italy until the 8th century, Ravenna has a set of early Christian mosaics and monuments unlike any other in the world. Eight buildings—the Mausoleum of Galla Placidia, the Neonian Baptistry, the Basilica of Sant’Apollinare Nuovo, the Baptistry of the Arians, the Archiepiscopal Chapel, the Mausoleum of Theodoric, the Church of San Vitale, and the Basilica of Sant’Apollinare in Classe—were built in the 5th and 6th centuries and testify to a great artistic mastery that marvelously combines the Greco-Roman tradition, Christian iconography and the styles of East and West.

Museum of Art of Ravenna (MAR) – Via di Roma, 13 – 48100 Ravenna.

Until June 15, 2014; open from 9:00 to 18:00 Tuesday through Friday, until 19:00 on Saturday and Sunday; closed Monday; admission: 9 Euros; teachers, students, pupils: 4 Euros

(Sources: MAR/Unesco/Osservatore Romano – DICI no. 296 dated June 06, 2014)

Attachment H

Methodology Step by Step Chart

Methodology Step by Step Chart

Step 1	Valuation of High-Value Works by VWA			
	<u># of Units</u>	<u>Low Value</u>	<u>High Value</u>	<u>Average Value</u>
	387	3,092,419,700	4,040,303,800	3,566,631,750
Step 2	Valuation of High-Value Works performed by Christie's, Artvest and Winston			
	<u># of Units</u>			<u>Average Value</u>
	596			311,370,325
Step 3	Projected valuation of works on DIA Insurance List (estimated for appreciation)			
	<u># of Units</u>	<u>DIA Insurance Value</u>	<u>% Appreciation</u>	<u>Projected Value</u>
	16,388	468,449,537	62.0%	758,888,249
Step 4	Pricing matrix of remaining works based on Christie's and Southeby's 2013 sales price by department			
	<u># of Units</u>			<u>Average Value</u>
	42,854			3,512,612,030
Step 5	Combined Value			
	<u># of Units</u>			<u>Average Value</u>
	60,225			8,149,232,354

Attachment I

Step 1 Attachment

DIA Accession No.	Artist	Title	VWA Low Value	VWA High Value	VWA Average Value
30.374	Pieter Bruegel the Elder	The Wedding Dance	150,000,000	200,000,000	175,000,000
22.13	Vincent Willem van Gogh	Self Portrait	120,000,000	150,000,000	135,000,000
1996.25	Vincent Willem van Gogh	Portrait of Postman Roulin	90,000,000	130,000,000	110,000,000
27.200	Rembrandt Harmensz van Rijn	The Visitation	90,000,000	110,000,000	100,000,000
70.190	Pablo Picasso	Melancholy Woman	75,000,000	100,000,000	87,500,000
76.89	Frederic Edwin Church	Cotopaxi	60,000,000	90,000,000	75,000,000
1988.175	Alberto Giacometti	Standing Woman II	60,000,000	80,000,000	70,000,000
22.14	Henri Matisse	The Window	60,000,000	80,000,000	70,000,000
65.8	Mark Rothko	Orange, Brown	60,000,000	80,000,000	70,000,000
73.268	Michelangelo Merisi da Caravaggio	Martha and Mary Magdalene	60,000,000	80,000,000	70,000,000
70.160	Paul Cezanne	Madame Cezanne	55,000,000	75,000,000	65,000,000
70.193	Pablo Picasso	Woman Seated in an Armchair	60,000,000	70,000,000	65,000,000
70.159	Vincent Willem van Gogh	Bank of the Oise at Auvers	50,000,000	70,000,000	60,000,000
76.78	Barnett Newman	Be I (second version)	50,000,000	70,000,000	60,000,000
31.25	Neo-Babylonian	Snake-Dragon, Symbol of Marduk, the Patron God of Babylon; Panel from the Ishtar Gate	50,000,000	60,000,000	55,000,000
65.310	Clyfford Still	Untitled 1951-T, No. 2	50,000,000	60,000,000	55,000,000
68.292.1	Andy Warhol	Self Portrait: Former Double Self Portrait	50,000,000	60,000,000	55,000,000
70.175	Henri Matisse	Poppies	50,000,000	60,000,000	55,000,000

27.2.A	Michelangelo	Scheme for the Decoration of the Ceiling of the Sistine Chapel	45,000,000	60,000,000	52,500,000
46.309	James Abbott McNeill Whistler	Nocturne in Black and Gold, the Falling Rocket	40,000,000	60,000,000	50,000,000
55.353	Francis Bacon	Study for Crouching Nude	45,000,000	55,000,000	50,000,000
50.32	Neo-Assyrian	Tiglath-Pileser III Receiving Homage	40,000,000	50,000,000	45,000,000
2005.60	Pablo Picasso	Girl Reading	35,000,000	45,000,000	40,000,000
21.5	Edgar Degas	Dancers in the Green Room	30,000,000	50,000,000	40,000,000
22.143	Auguste Rodin	The Thinker	35,000,000	40,000,000	37,500,000
70.174	Henri Matisse	Coffee	35,000,000	40,000,000	37,500,000
78.37	Henri Matisse	The Wild Poppies	35,000,000	40,000,000	37,500,000
66.66	Joan Miró	Self Portrait II	30,000,000	40,000,000	35,000,000
70.183	Georges Pierre Seurat	View of Le Crotoy from Upstream	30,000,000	40,000,000	35,000,000
36.11	Nicolas Poussin	Selene and Endymion	30,000,000	38,000,000	34,000,000
64.117	John Constable	The Glebe Farm	30,000,000	35,000,000	32,500,000
78.31	Henri Matisse	The Wild Poppies	30,000,000	35,000,000	32,500,000
56.144	Franz Marc	Animals in a Landscape	28,000,000	36,000,000	32,000,000
89.63	Peter Paul Rubens	The Meeting of David and Abigail	25,000,000	35,000,000	30,000,000
65.7	Franz Kline	Siskind	28,000,000	30,000,000	29,000,000
64.84	Juan Gris	Still Life	25,000,000	30,000,000	27,500,000
17.17	George Wesley Bellows	A Day in June	20,000,000	30,000,000	25,000,000

50.138	George Caleb Bingham	The Trappers' Return	20,000,000	30,000,000	25,000,000
57.234	Wassily Kandinsky	Study for Painting with White Form	22,000,000	28,000,000	25,000,000
70.177	Pierre Auguste Renoir	Seated Bather	20,000,000	30,000,000	25,000,000
1985.24	Pierre Auguste Renoir	Woman in an Armchair	20,000,000	25,000,000	22,500,000
21.71	Claude Monet	Gladioli	20,000,000	25,000,000	22,500,000
26.3	Jacob Isaaksz van Ruisdael	The Jewish Cemetery	20,000,000	25,000,000	22,500,000
35.10	Titian	Judith with the Head of Holofernes	20,000,000	25,000,000	22,500,000
40.166	Bernardo Bellotto	View of the Tiber in Rome with the Castel Sant'Angelo	20,000,000	25,000,000	22,500,000
42.57	Agnolo Bronzino	Eleonora of Toledo and Her Son	20,000,000	25,000,000	22,500,000
46.310	John Singleton Copley	Watson and the Shark	20,000,000	25,000,000	22,500,000
55.410	Max Beckmann	Self Portrait in Olive and Brown	20,000,000	25,000,000	22,500,000
70.161	Paul Cezanne	Mont Sainte-Victoire	20,000,000	25,000,000	22,500,000
70.163	Paul Cezanne	The Three Skulls	20,000,000	25,000,000	22,500,000
1988.176	Pablo Picasso	Seated Woman	18,000,000	22,000,000	20,000,000
53.145	Auguste Rodin	Eve	18,000,000	22,000,000	20,000,000
55.5.A	Henry Fuseli	The Nightmare	18,000,000	22,000,000	20,000,000
60.88	Alberto Giacometti	Annette Seated	18,000,000	22,000,000	20,000,000
62.126	Pablo Picasso	Portrait of Manuel Pallares	18,000,000	22,000,000	20,000,000
70.162	Paul Cezanne	Bathers	18,000,000	22,000,000	20,000,000

77.81	Hans Holbein the Younger	A Woman	18,000,000	22,000,000	20,000,000
1988.177	Willem de Kooning	Merritt Parkway	16,000,000	20,000,000	18,000,000
69.306	Paul Gauguin	Self Portrait	15,000,000	20,000,000	17,500,000
70.191	Pablo Picasso	Head of a Harlequin	15,000,000	20,000,000	17,500,000
89.35	Jan Provost	The Last Judgment	15,000,000	20,000,000	17,500,000
66.36	David Smith	Cubi I	15,000,000	18,000,000	16,500,000
70.192	Pablo Picasso	Bottle of Anis del Mono	15,000,000	18,000,000	16,500,000
26.114	Neri di Bicci	Tobias and Three Archangels	12,000,000	16,000,000	14,000,000
30.297	Michael Sweerts	In the Studio	12,000,000	16,000,000	14,000,000
49.347	Frans Hals	Portrait of Hendrik Swalmius	12,000,000	16,000,000	14,000,000
69.6	Guido Reni	The Angel Appearing to St. Jerome	12,000,000	16,000,000	14,000,000
1992.1	Roy Lichtenstein	Interior with Mirrored Closet	12,000,000	15,000,000	13,500,000
70.167	Edgar Degas	Violinist and Young Woman	12,000,000	15,000,000	13,500,000
77.2	Benozzo Gozzoli	Virgin and Child with Angels	12,000,000	15,000,000	13,500,000
89.46	Jan Havicksz Steen	Gamblers Quarreling	12,000,000	15,000,000	13,500,000
30.280	Antoine Le Nain	The Village Piper	12,000,000	14,000,000	13,000,000
52.220	Giovanni Lorenzo Bernini	Chair of St. Peter	10,000,000	15,000,000	12,500,000
52.253	Artemisia Gentileschi	Judith and Her Maidservant with the Head of Holofernes	10,000,000	15,000,000	12,500,000
70.178	Pierre Auguste Renoir	The White Pierrot	10,000,000	15,000,000	12,500,000

40.58	Ernst Ludwig Kirchner	Winter Landscape in Moonlight	11,000,000	13,000,000	12,000,000
89.70	Bartolome Esteban Murillo	The Immaculate Conception	11,000,000	13,000,000	12,000,000
10.11	Frederic Edwin Church	Syria by the Sea	10,000,000	12,000,000	11,000,000
28.115	Giovanni Bellini	Madonna and Child	10,000,000	12,000,000	11,000,000
44.266	Peter Paul Rubens	Hygeia, Goddess of Health	10,000,000	12,000,000	11,000,000
69.50	Donald Judd	Stack	10,000,000	12,000,000	11,000,000
71.170	Thomas Gainsborough	Lady Anne Hamilton	10,000,000	12,000,000	11,000,000
1993.18	John Singer Sargent	Mosquito Nets	8,000,000	12,000,000	10,000,000
69.48	Robert Rauschenberg	Creek	9,000,000	11,000,000	10,000,000
70.158	Vincent Willem van Gogh	The Diggers	8,000,000	12,000,000	10,000,000
71.1	Guercino (Giovanni Francesco Barbieri)	Assumption of the Virgin	8,000,000	12,000,000	10,000,000
70.339	Pablo Picasso	Bather by the Sea	8,000,000	11,000,000	9,500,000
71.169	Thomas Gainsborough	The Honorable Richard Savage Nassau de Zuylestein, M.P.	8,000,000	10,000,000	9,000,000
71.390	Jean Honore Fragonard	The Shepherdess	8,000,000	10,000,000	9,000,000
71.391	Jean Honore Fragonard	The Grape Gatherer	8,000,000	10,000,000	9,000,000
71.392	Jean Honore Fragonard	The Reaper	8,000,000	10,000,000	9,000,000
71.393	Jean Honore Fragonard	The Gardener	8,000,000	10,000,000	9,000,000
77.1.1	Fra Angelico	Annunciatory Angel	8,000,000	10,000,000	9,000,000
24.94	Sassetta	The Procession to Calvary	7,000,000	10,000,000	8,500,000

26.296	Jean Siméon Chardin	Still Life with Dead Hare	7,000,000	10,000,000	8,500,000
48.96	Bartolome Esteban Murillo	The Flight into Egypt	7,000,000	9,000,000	8,000,000
69.1	Jean Dubuffet	Le plomb dans l'aile	7,000,000	9,000,000	8,000,000
1998.65	Edgar Degas	Jockeys on Horseback before Distant Hills	7,000,000	8,000,000	7,500,000
20.111	Pierre Auguste Renoir	Graziella	6,000,000	9,000,000	7,500,000
26.385	Peter Paul Rubens	Philippe Rubens, the Artist's Brother.	6,000,000	9,000,000	7,500,000
1988.178	Pablo Picasso	Fruit, Carafe and Glass	6,000,000	8,000,000	7,000,000
23.27	Frans Hals	Portrait of a Woman	6,000,000	8,000,000	7,000,000
25.4	Jan van Eyck	Saint Jerome in His Study	6,000,000	8,000,000	7,000,000
26.387	Master of the St. Lucy Legend	Virgin of the Rose Garden	6,000,000	8,000,000	7,000,000
27.385	Titian	Man Holding a Flute	6,000,000	8,000,000	7,000,000
30.295	Parmigianino	The Circumcision	6,000,000	8,000,000	7,000,000
34.27	James Abbott McNeill Whistler	Arrangement in Gray: Portrait of the Painter	6,000,000	8,000,000	7,000,000
41.80	Francisco Goya	Dona Amalia Bonells de Costa	6,000,000	8,000,000	7,000,000
53.356	Peter Paul Rubens	Briseis Given Back to Achilles	6,000,000	8,000,000	7,000,000
65.10	Gerard Ter Borch	Lady at Her Toilette	6,000,000	8,000,000	7,000,000
68.47	Orazio Gentileschi	Young Woman with a Violin (Saint Cecilia)	6,000,000	8,000,000	7,000,000
21.206	Max Pechstein	Under the Trees	5,000,000	8,000,000	6,500,000
21.34	Camille Pissarro	The Path	5,000,000	8,000,000	6,500,000

27.202	Gustave Courbet	Bather Sleeping by a Brook	5,000,000	8,000,000	6,500,000
82.64	Neo-Sumerian	Gudea of Lagash	5,000,000	8,000,000	6,500,000
21.208	Lyonel Feininger	Sidewheeler II	5,000,000	7,000,000	6,000,000
21.6	Edgar Degas	Dancers	5,000,000	7,000,000	6,000,000
37.147	Pollaiuolo	Judith	5,000,000	7,000,000	6,000,000
46.134	Thomas Cole	From the Top of Kaaterskill Falls	5,000,000	7,000,000	6,000,000
51.65	Otto Dix	Self Portrait	5,000,000	7,000,000	6,000,000
67.113	Alexander Calder	The X and Its Tails	5,000,000	7,000,000	6,000,000
70.170	Jean Auguste Dominique Ingres	Perseus and Andromeda	5,000,000	7,000,000	6,000,000
76.77	Aristide Maillol	La Flore, nue	5,000,000	7,000,000	6,000,000
77.3	Pietro Perugino	Madonna and Child	5,000,000	7,000,000	6,000,000
1993.77.A	Joseph Cornell	Night Songs	5,000,000	6,500,000	5,750,000
57.180	Giovanni Battista Tiepolo	Girl with a Mandolin	5,000,000	6,500,000	5,750,000
22.6	Mary Cassatt	In the Garden	5,000,000	6,000,000	5,500,000
27.3	Sandro Botticelli	The Resurrected Christ	5,000,000	6,000,000	5,500,000
27.201	Gerard David	The Annunciation	4,000,000	6,000,000	5,000,000
45.420	Joos van der Beke van Cleve	Adoration of the Magi	4,000,000	6,000,000	5,000,000
54.458	William Adolphe Bouguereau	The Nut Gatherers	4,000,000	6,000,000	5,000,000
61.48	Joan Miró	Women and Bird in the Night	4,000,000	6,000,000	5,000,000

66.41	Giulio Romano	An Allegory of Immortality	4,000,000	6,000,000	5,000,000
79.34	Eva Hesse	Accession II	4,000,000	6,000,000	5,000,000
25.207	Giovanni Domenico Tiepolo	The Women of Darius Invoking the Clemency of Alexander	4,000,000	5,000,000	4,500,000
29.260	William Merritt Chase	The Whistling Boy	3,500,000	5,500,000	4,500,000
52.218	Giovanni Lorenzo Bernini	Triton with a Sea Serpent	4,000,000	5,000,000	4,500,000
52.219	Giovanni Lorenzo Bernini	Triton with a Shell	4,000,000	5,000,000	4,500,000
27.159	Maurice Brazil Prendergast	Promenade	3,500,000	5,000,000	4,250,000
70.164	Jean Siméon Chardin	Still Life	3,500,000	5,000,000	4,250,000
11.5	Childe Hassam	Place Centrale and Fort Cabanas, Havana	3,000,000	5,000,000	4,000,000
1995.67	Rachel Ruysch	Flowers in a Glass Vase	3,000,000	5,000,000	4,000,000
20.114	Alfred Sisley	Church at Moret after the Rain	3,000,000	5,000,000	4,000,000
21.203	Oskar Kokoschka	The Elbe Near Dresden	3,500,000	4,500,000	4,000,000
23.11	Tintoretto	The Dreams of Men	3,000,000	5,000,000	4,000,000
29.256	Gerard Ter Borch	Young Man Reading a Letter	3,000,000	5,000,000	4,000,000
54.2	Nicolas Poussin	The Holy Family	3,000,000	5,000,000	4,000,000
62.141	Pablo Picasso	Sylvette	3,000,000	5,000,000	4,000,000
72.465	Paul Cezanne	Head of a Man	3,000,000	5,000,000	4,000,000
79.33	Benjamin West	Death on the Pale Horse	3,000,000	5,000,000	4,000,000
56.43	Giovanni Paolo Panini	Interior of St. Peter's, Rome	3,500,000	4,000,000	3,750,000

1983.23	John Singleton Copley	George Boone Roupell	3,000,000	4,000,000	3,500,000
1986.60	Mary Cassatt	Alexander J. Cassatt	3,000,000	4,000,000	3,500,000
21.204	Ernst Ludwig Kirchner	Coastal Landscape on Fehmarn	3,000,000	4,000,000	3,500,000
27.556	John Singleton Copley	Mrs. Clark Gayton	3,000,000	4,000,000	3,500,000
28.151	Unknown	South Indian Brahma-Shiva	3,000,000	4,000,000	3,500,000
37.21	Jacob Isaaksz van Ruisdael	Farm and Hayrick on a River	3,000,000	4,000,000	3,500,000
38.60	William Sydney Mount	The Banjo Player	3,000,000	4,000,000	3,500,000
48.279	Edgar Degas	Morning Ride	3,000,000	4,000,000	3,500,000
60.61	Master of the Osservanza	The Resurrection	3,000,000	4,000,000	3,500,000
61.164	Master of the Arenberg Lamentation	The Lamentation	3,000,000	4,000,000	3,500,000
61.165	John Sloan	Wake of the Ferry, No. 1	3,000,000	4,000,000	3,500,000
65.139	Paul Cezanne	Skull and Book	3,000,000	4,000,000	3,500,000
65.76	John Chamberlain	Coo Wha Zee	3,000,000	4,000,000	3,500,000
68.298	Jacob Isaaksz van Ruisdael	Wooded Landscape with a Stream	3,000,000	4,000,000	3,500,000
72.441	Edgar Degas	Dancers in Repose	3,000,000	4,000,000	3,500,000
77.48	Robert Motherwell	Elegy to the Spanish Republic #131	3,000,000	4,000,000	3,500,000
78.59	John Everett Millais	Leisure Hours	3,000,000	4,000,000	3,500,000
21.72	John Singer Sargent	Home Fields	2,800,000	4,000,000	3,400,000
08.8	Mary Cassatt	Women Admiring a Child	2,800,000	3,500,000	3,150,000

80.104	Dan Flavin	Monument for V. Tatlin	2,800,000	3,500,000	3,150,000
73.41	John Singer Sargent	Madame Paul Poirson	2,500,000	3,700,000	3,100,000
19.148	Robert Cozad Henri	The Young Girl	2,500,000	3,500,000	3,000,000
24.2	John Sloan	McSorley's Bar	2,500,000	3,500,000	3,000,000
28.102	Giorgio de Chirico	Gladiators and Lion	2,000,000	4,000,000	3,000,000
30.296	Thomas Cowperthwaite Eakins	Dr. Horatio C. Wood	2,500,000	3,500,000	3,000,000
44.5	Marsden Hartley	Log Jam, Penobscot Bay	2,500,000	3,500,000	3,000,000
65.60	Helen Frankenthaler	The Bay	2,500,000	3,500,000	3,000,000
70.560.A	John Singleton Copley	Colonel George Lewis	2,500,000	3,500,000	3,000,000
77.5	Diego M. Rivera	Edsel B. Ford	2,500,000	3,500,000	3,000,000
21.210	Otto Mueller	Bathers	2,500,000	3,200,000	2,850,000
16.5	William Merritt Chase	The Yield of the Waters	2,500,000	3,000,000	2,750,000
1986.102	Max Ernst	Moonmad	2,500,000	3,000,000	2,750,000
43.30	John Singleton Copley	John Gray	2,500,000	3,000,000	2,750,000
70.900	John Singleton Copley	Hannah Loring	2,500,000	3,000,000	2,750,000
41.37	John Singleton Copley	Colonel John Montresor	2,200,000	3,200,000	2,700,000
27.150	Nino Pisano	Madonna and Child	2,000,000	3,000,000	2,500,000
44.213	Giovanni Battista Tiepolo	Saint Joseph and the Christ Child	2,000,000	3,000,000	2,500,000
71.168	John Singleton Copley	Mrs. Benjamin Hallowell	2,200,000	2,800,000	2,500,000

72.437	Naum Gabo	Linear Construction No. 4	2,200,000	2,800,000	2,500,000
30.416	Islamic	Bottle made for the Rasulid Sultan Hizabr al-Din in Yemen	2,300,000	2,600,000	2,450,000
21.8	Edgar Degas	Portrait of a Woman	2,000,000	2,500,000	2,250,000
30.323	Islamic	Qur'an	2,000,000	2,500,000	2,250,000
54.460	Emil Nolde	Sunflowers	2,000,000	2,500,000	2,250,000
1985.25	Pierre Auguste Renoir	Clearing in the Woods	1,800,000	2,500,000	2,150,000
74.53	Roman	Torso of Aphrodite, Roman copy of the Venus Genetrix type	1,500,000	2,500,000	2,000,000
76.146	Sebastiano Ricci	Christ at the Sea of Galilee	1,800,000	2,200,000	2,000,000
78.47	Iranian	Achaemenid Persian Spearman	1,500,000	2,500,000	2,000,000
71.385.A	Richard Artschwager	Hospital Ward	1,700,000	2,000,000	1,850,000
2000.85	Medici Manufactory	Ewer (brocca)	1,300,000	2,300,000	1,800,000
70.206	Henri Matisse	Seated Nude	1,700,000	1,900,000	1,800,000
41.126	Master of the Tiburtine Sibyl	Crucifixion	1,500,000	2,000,000	1,750,000
64.155.A	Robert Indiana	The Brooklyn Bridge	1,500,000	2,000,000	1,750,000
69.304	Auguste Rodin	The Age of Bronze	1,500,000	2,000,000	1,750,000
1983.16	Jean Baptiste Carpeaux	Genius of the Dance	1,500,000	1,800,000	1,650,000
1992.223	Jean Baptiste Carpeaux	Genius of Dance	1,500,000	1,800,000	1,650,000
45.514	Andrea della Robbia	Madonna and Child	1,500,000	1,800,000	1,650,000
25.64	Islamic	Figure of a Courtier from a Palace Frieze	1,200,000	1,800,000	1,500,000

29.245	Unknown	Buddha	1,200,000	1,800,000	1,500,000
59.123	Hubert Gerhard	Hebe	1,400,000	1,600,000	1,500,000
59.296	Johann Joachim Kaendler	Postmaster "Baron" Schmiedel	1,400,000	1,600,000	1,500,000
52.118	John Singleton Copley	Head of a Negro	1,200,000	1,500,000	1,350,000
43.477	Andrea della Robbia	Head of a Youth	1,200,000	1,400,000	1,300,000
2001.67	Francois Rude	Departure of the Volunteers of 1792 (The Marseillaise)	1,000,000	1,500,000	1,250,000
64.82	Jean Auguste Dominique Ingres	Mlle. Cécile-Marie Panckoucke (later Mme. Jacques-Raoul Tournouër)	1,000,000	1,500,000	1,250,000
70.168	Edgar Degas	Woman with a Bandage	1,000,000	1,500,000	1,250,000
19.149	Robert Cozad Henri	The Beach Hat	1,000,000	1,400,000	1,200,000
71.78	Edgar Degas	Seated Woman Wiping her Left Side	1,000,000	1,200,000	1,100,000
54.100	John Singer Sargent	Judith Gautier	900,000	1,200,000	1,050,000
21.207	Karl Schmidt-Rottluff	Still Life, Cactus	800,000	1,200,000	1,000,000
21.73	Henri Eugene Augustin Le Sidaner	The Tea Table	800,000	1,200,000	1,000,000
58.360	John Singleton Copley	Jonathan Mountfort	800,000	1,200,000	1,000,000
21.180	Tang Di	Landscape	800,000	1,100,000	950,000
2005.63	Edgar Degas	Seated Nude Woman Brushing Her Hair	800,000	1,000,000	900,000
36.14	Alessandro Magnasco	Satire on a Nobleman in Misery	800,000	1,000,000	900,000
70.188	Diego M. Rivera	Robert Tannahill	1,500,000	200,000	850,000
72.296	Louis Jean Francois Lagrenee	Pygmalion and Galatea	700,000	1,000,000	850,000

70.253	Charles Demuth	Still Life with Apples and Bananas	750,000	900,000	825,000
1997.1	Jean-Léon Gérôme	Seated Woman	700,000	900,000	800,000
21.17	Henri Baptiste Lebasque	On the Balcony	700,000	900,000	800,000
25.63	Unknown	Buddha's Descent from the Trayastrimsas Heaven	700,000	900,000	800,000
47.92	Salvator Rosa	The Finding of Moses	700,000	900,000	800,000
29.172	Unknown	Sakyamuni Emerging from the Mountains	600,000	900,000	750,000
59.295	Johann Gottlieb Kirchner	Joseph Froehlich, Court Jester of Augustus the Strong	700,000	800,000	750,000
48.274	Nathan Bowen	Chest on Chest	650,000	800,000	725,000
26.128	Unknown	Guanyin	600,000	800,000	700,000
29.444	Unknown	Pratyeka Buddha	550,000	850,000	700,000
37.73	Job Adriaensz Berckheyde	Interior of the Grote Kerk, Haarlem	600,000	800,000	700,000
65.145	Edgar Degas	Ballet Dancer Adjusting her Costume	600,000	800,000	700,000
65.174	Max Beckmann	Sacrificial Meal	600,000	800,000	700,000
76.3	Wen Zhengming	The First Prose Poem on the Red Cliff	600,000	800,000	700,000
1992.212	Enzo Cucchi	Quadro Feroce	500,000	800,000	650,000
26.122	Roman	Torso of Apollo, Roman copy	500,000	700,000	600,000
65.223	Pierre Auguste Renoir	Country Lane	500,000	700,000	600,000
1999.59	Paul Gauguin	La Petite Parisienne	500,000	600,000	550,000
40.161	Shen Zhou	Ode to the Pomegranate and Melon Vine	500,000	600,000	550,000

F1983.124	Charles Sheeler	Drive Wheels	500,000	600,000	550,000
09.1S382	Albrecht Dürer	Adam and Eve	450,000	550,000	500,000
2007.145	Charles Rennie Mackintosh	Chair	400,000	600,000	500,000
35.54	Islamic	Folio from the Great Mongol Shahnama: Ardashir Battles Bahman, Son of Ardavan	400,000	600,000	500,000
51.223	James Abbott McNeill Whistler	In the Studio	400,000	600,000	500,000
60.63	Pieter Pietersz Lastman	King David Handing the Letter to Uriah	400,000	600,000	500,000
1994.78.A	Greene and Greene	Blacker Dining Table	300,000	600,000	450,000
50.58	Charles Willson Peale	James Peale	350,000	550,000	450,000
70.187	Diego M. Rivera	Robert H. Tannahill	800,000	100,000	450,000
1985.30	Richard Estes	Welcome to 42nd Street (Victory Theatre)	350,000	450,000	400,000
2006.87	James Abbott McNeill Whistler	Violet and Blue: Among the Rollers	300,000	500,000	400,000
60.1	Auguste Rodin	Aime Jules Dalou	375,000	425,000	400,000
66.131	George Bright	Secretary	350,000	450,000	400,000
69.218	Roman	Statue of the Young Nero Wearing a Toga	350,000	450,000	400,000
71.399	Jean Baptiste Carpeaux	Ugolino and his Children	350,000	400,000	375,000
2003.32	Auguste Rodin	Vase of the Titans	300,000	400,000	350,000
40.48	Egyptian	Head of a Man	300,000	400,000	350,000
45.469	Rembrandt Peale	Self Portrait	300,000	400,000	350,000
67.273	Edgar Degas	Dancer Adjusting Her Slipper	300,000	400,000	350,000

71.196	Martin Carlin	Jewel Coffe	300,000	400,000	350,000
1992.16	Julian Schnabel	Cabalistic Painting	250,000	400,000	325,000
20.42	James Abbott McNeill Whistler	Robert Barr	250,000	350,000	300,000
50.193.A	Asteios Group	Panathenaic Amphora	250,000	350,000	300,000
58.359	John Singleton Copley	Elizabeth Pitts	250,000	350,000	300,000
59.314	George Cochran Lambdin	At the Front	250,000	350,000	300,000
52.27	George Caleb Bingham	The Checker Players	250,000	300,000	275,000
69.302	Edgar Degas	Spanish Dancer	250,000	300,000	275,000
1984.87	Andre-Charles Boulle and his sons	Pedestal Clock	200,000	300,000	250,000
40.47	Egyptian	Head of a Man	200,000	300,000	250,000
53.169	Unknown	Ritual Wine Vessel	200,000	300,000	250,000
1993.122	Richard Estes	Blue Cadillac	200,000	250,000	225,000
37.92	Paul Revere II	Teapot	200,000	250,000	225,000
29.1	Qian Xuan	Early Autumn	150,000	200,000	175,000
56.173	Edgar Degas	Schoolgirl	150,000	200,000	175,000
59.149	Thomas Harland	Tall Case Clock	150,000	200,000	175,000
F74.36	Diego M. Rivera	The Meal	150,000	200,000	175,000
1994.30	Auguste Rodin	Head of Balzac	150,000	180,000	165,000
F82.198	Jean Baptiste Carpeaux	Neapolitan Fisherboy	150,000	175,000	162,500

1983.25.A	Baltimore Painter	South Italian Funerary Vase	125,000	175,000	150,000
45.369	Rembrandt Harmensz van Rijn	Jan Lutma, Goldsmith	125,000	175,000	150,000
65.148	Edgar Degas	Mlle La La at the Circus Fernando	130,000	150,000	140,000
66.391	Hughie Lee-Smith	The Piper	100,000	180,000	140,000
75.86	Jean Baptiste Carpeaux	Le fumeur	125,000	150,000	137,500
77.63	Dong Qichang	Freehand Copy of Zhang Xu's Writing of the Stone Record	120,000	150,000	135,000
2005.1.1	Duncan Phyfe	Pair of Lyre Back Chairs	100,000	150,000	125,000
41.81	Unknown	Parvati	100,000	150,000	125,000
80.39	Korean	Pillow	100,000	150,000	125,000
09.1S949	Rembrandt Harmensz van Rijn	Christ with the Sick around Him, Receiving Little Children	100,000	130,000	115,000
59.297	Unknown	Crozier Head: Saint Michael and the Dragon	113,000	115,000	114,000
25.13	Egyptian	Head from an Anthropoid Sarcophagus	100,000	125,000	112,500
59.185	George Wesley Bellows	A Stag at Sharkey's	100,000	120,000	110,000
70.209	Pierre Auguste Renoir	La blanchisseuse	90,000	120,000	105,000
2001.70	George Cochran Lambdin	Roses on a Wall	80,000	120,000	100,000
53.153	George Caleb Bingham	John Quincy Adams	90,000	110,000	100,000
1984.2	Korean	Full Moon Jar	80,000	100,000	90,000
09.1S937	Rembrandt Harmensz van Rijn	Presentation in the Temple	12,000	160,000	86,000
14.7	Rembrandt Harmensz van Rijn	The Goldweigher's Field	70,000	90,000	80,000

09.1S922	Rembrandt Harmensz van Rijn	Self Portrait with Saskia	50,000	100,000	75,000
1993.19	Leonaert Bramer	The Adoration of the Magi	60,000	80,000	70,000
38.33	Rembrandt Harmensz van Rijn	Descent from the Cross by Torchlight	45,000	85,000	65,000
1988.1	Korean	Head of Buddha	50,000	70,000	60,000
65.140	Paul Cezanne	Slave	50,000	70,000	60,000
09.1S928	Rembrandt Harmensz van Rijn	Abraham and Isaac	40,000	70,000	55,000
09.1S968	Rembrandt Harmensz van Rijn	Landscape with a Square Tower	50,000	60,000	55,000
1990.295	Louis Comfort Tiffany	Jack-in-the-Pulpit Vase	50,000	55,000	52,500
09.1S945	Rembrandt Harmensz van Rijn	Christ and the Woman of Samaria	40,000	60,000	50,000
09.1S972	Rembrandt Harmensz van Rijn	Old Man Shading His Eyes with His Hand	40,000	60,000	50,000
68.22	Rembrandt Harmensz van Rijn	Old Man Shading His Eyes with His Hand	40,000	60,000	50,000
F77.104	Thomas Cowperthwaite Eakins	Three Female Nudes	40,000	60,000	50,000
09.1S959	Rembrandt Harmensz van Rijn	Death of the Virgin	35,000	55,000	45,000
09.1S963	Rembrandt Harmensz van Rijn	Medea: Or the Marriage of Jason and Creusa	30,000	50,000	40,000
09.1S963.A	Rembrandt Harmensz van Rijn	Medea: Or the Marriage of Jason and Creusa	30,000	50,000	40,000
09.1S986	Rembrandt Harmensz van Rijn	Three Heads of Women	35,000	45,000	40,000
1994.97.A	Islamic	Qur'an Folio	20,000	60,000	40,000
2006.109	Gandhara	Bodhisattva Padmapani	30,000	50,000	40,000
31.70	Egyptian	Seated Scribe	35,000	45,000	40,000

2003.26.1	Lorna Simpson	Bathroom	30,000	40,000	35,000
70.210	Auguste Rodin	Baudelaire	30,000	40,000	35,000
09.1S934	Rembrandt Harmensz van Rijn	Adoration of the Shepherds	25,000	40,000	32,500
09.1S975	Rembrandt Harmensz van Rijn	Man in an Arbour	30,000	35,000	32,500
09.1S923	Rembrandt Harmensz van Rijn	Self Portrait in a Velvet Cap with Plume	20,000	40,000	30,000
09.1S981	Rembrandt Harmensz van Rijn	Bearded Man in a Velvet Cap with a Jewel Clasp	20,000	40,000	30,000
27.586.1	Nepalese	Manuscript of the "Perfection of Transcendent Wisdom in Eight Thousand Verses" Text	20,000	40,000	30,000
35.40	Paul Revere II	Sugar Basket	25,000	35,000	30,000
35.41	Paul Revere II	Creamer	25,000	35,000	30,000
46.174	Rembrandt Harmensz van Rijn	Self Portrait in a Velvet Cap with Plume	20,000	40,000	30,000
2001.1	Rembrandt Harmensz van Rijn	The Angel Appearing to the Shepherds	24,000	34,000	29,000
09.1S974	Rembrandt Harmensz van Rijn	Old Man with a Divided Fur Cap	24,000	32,000	28,000
09.1S979	Rembrandt Harmensz van Rijn	Jan Asselyn	25,000	30,000	27,500
09.1S933	Rembrandt Harmensz van Rijn	Angel Appearing to the Shepherds	22,000	30,000	26,000
09.1S1044	Peter Paul Rubens	Saint Catherine of Alexandria	20,000	30,000	25,000
09.1S926	Rembrandt Harmensz van Rijn	Abraham Casting Out Hagar and Ishmael	20,000	30,000	25,000
09.1S943	Rembrandt Harmensz van Rijn	Christ Driving the Money Changers from the Temple	23,000	27,000	25,000
09.1S944	Rembrandt Harmensz van Rijn	Christ Driving the Money Changers from the Temple	23,000	27,000	25,000
2001.9	Lorna Simpson	Coiffure	20,000	30,000	25,000

35.103	Coptic	Female Portrait with Halo	20,000	30,000	25,000
45.370	Rembrandt Harmensz van Rijn	Golf Player	18,000	30,000	24,000
09.1S982	Rembrandt Harmensz van Rijn	Bust of a Man Wearing a High Cap, Three-Quarters Right: The Artist's Father (?)	20,000	25,000	22,500
1989.76.A	Henry Kirke Brown	Filatrice	20,000	25,000	22,500
09.1S921	Rembrandt Harmensz van Rijn	Self Portrait in a Cap and Scarf with the Face Dark: Bust	15,000	28,000	21,500
09.1S929	Rembrandt Harmensz van Rijn	Joseph Telling His Dreams	16,000	24,000	20,000
68.20	Rembrandt Harmensz van Rijn	Old Man Shading His Eyes with His Hand	15,000	25,000	20,000
2004.52	James Abbott McNeill Whistler	The Kitchen	18,000	20,000	19,000
79.28.1	Suzuki Kiitsu	Reeds and Cranes	18,000	20,000	19,000
09.1S955	Rembrandt Harmensz van Rijn	Return of the Prodigal Son	15,000	22,000	18,500
09.1S936	Rembrandt Harmensz van Rijn	Presentation in the Temple	15,000	21,000	18,000
1988.62	Choi Sokhwan	Grapevine	15,000	20,000	17,500
09.1S941	Rembrandt Harmensz van Rijn	Tribute Money	13,000	20,000	16,500
45.368	Rembrandt Harmensz van Rijn	Triumph of Mordecai	12,000	20,000	16,000
52.243	Rembrandt Harmensz van Rijn	Christ Crucified between the Two Thieves	11,000	21,000	16,000
09.1S946	Rembrandt Harmensz van Rijn	Christ and the Woman of Samaria Among Ruins	14,000	17,000	15,500
09.1S953	Rembrandt Harmensz van Rijn	Christ Carried to the Tomb	14,000	16,000	15,000
09.1S984	Rembrandt Harmensz van Rijn	The Artist's Mother Seated, in an Oriental Headdress Half Length	12,000	18,000	15,000
1983.3	Unknown	Noh Theater Robe, Surihaku Type	10,000	20,000	15,000

52.242	Rembrandt Harmensz van Rijn	Flight into Egypt	14,000	16,000	15,000
09.1S973	Rembrandt Harmensz van Rijn	Old Man with Beard, Fur Cap, and Velvet Cloak	13,000	16,000	14,500
09.1S935	Rembrandt Harmensz van Rijn	The Circumcision	12,500	16,000	14,250
09.1S940	Rembrandt Harmensz van Rijn	Christ Disputing with the Doctors	11,000	15,000	13,000
09.1S947	Rembrandt Harmensz van Rijn	Raising of Lazarus	11,000	13,000	12,000
09.1S939	Rembrandt Harmensz van Rijn	Virgin and Child in the Clouds	8,000	15,000	11,500
09.1S980	Rembrandt Harmensz van Rijn	Old Bearded Man in a High Fur Cap	10,000	13,000	11,500
1988.10.13	Egyptian	The Book of the Dead of Nes-Min, Section 13	10,000	12,500	11,250
09.1S961	Rembrandt Harmensz van Rijn	Saint Jerome Praying: Arched	10,000	12,000	11,000
09.1S985	Rembrandt Harmensz van Rijn	Studies of the Head of Saskia and Others	8,000	12,000	10,000
59.79	Rembrandt Harmensz van Rijn	A Peasant in a High Cap, Standing Leaning on a Stick	9,000	11,000	10,000
46.173	Rembrandt Harmensz van Rijn	The Rest on the Flight: A Night Piece	6,000	8,000	7,000
59.289	Louis Comfort Tiffany	Flower-form Vase	6,000	8,000	7,000
64.295	John Sloan	Night Windows	6,000	7,500	6,750
09.1S956	Rembrandt Harmensz van Rijn	Beheading of John the Baptist	6,000	7,000	6,500
2002.135	Carrie Mae Weems	Not Manet's Type	5,000	7,500	6,250
F81.57	Robert Adamson	Elizabeth Rigby (later Lady Eastlake)	5,000	7,500	6,250
09.1S958	Rembrandt Harmensz van Rijn	Stoning of Saint Stephen	4,000	6,000	5,000
09.1S965	Rembrandt Harmensz van Rijn	Baptism of the Eunuch	3,500	6,500	5,000

09.1S964	Rembrandt Harmensz van Rijn	Bathers	3,000	5,000	4,000
09.1S977	Rembrandt Harmensz van Rijn	Samuel Manesseh Ben Israel	2,500	5,000	3,750
09.1S977.50	Rembrandt Harmensz van Rijn	Samuel Manasseh Ben Israel	2,500	5,000	3,750
64.285	John Sloan	Connoisseurs of Prints	3,500	4,000	3,750
64.279	John Sloan	The Woman's Page	3,200	3,800	3,500
64.304	John Sloan	Prone Nude	2,000	3,000	2,500
F74.21	Islamic	Jewel Box inscribed "Amir Bukhara"	1,000	4,000	2,500
1983.21	Maruyama Okyo	Entertainments of the Four Seasons in Kyoto	2,000	2,500	2,250

Attachment J

Step 2 Attachment

DIA Accession No.	Artist	Title	Third Party Average Values
40.19	Donatello	Madonna and Child	5,750,000
70.186	Amedeo Modigliani	A Man	5,750,000
1994.57	Pierre Auguste Renoir	The Spanish Guitarist	5,000,000
34.188	Frans Jansz Post	View of the Jesuit Church at Olinda, Brazil	5,000,000
56.32	Fra Angelico	Madonna and Child with Angels	5,000,000
2005.62	Henri Matisse	Anemones and Peach Blossoms	4,750,000
65.108	Henry Moore	Reclining Figure	4,375,000
1988.18	Joan Mitchell	Before, Again II	4,000,000
46.56	Sassetta	The Betrayal of Christ	4,000,000
61.397	Lucas Cranach the Elder	Saint Christopher	4,000,000
22.3	Michel Erhart	Virgin and Child	3,750,000
43.38	Canaletto	The Piazza San Marco	3,500,000
53.270	Sassetta	The Agony in the Garden	3,500,000
69.305	Lyonel Feininger	Sailboats	3,500,000
23.31	Lucas Cranach the Elder	Madonna and Child with Infant Saint John the Baptist and Angels	3,350,000
26.94	Correggio	The Mystic Marriage of Saint Catherine	3,250,000
47.58	Peter Paul Rubens	Archduke Ferdinand, Cardinal-Infante of Spain, at the Battle of Nordlingen	3,250,000
63.156	Stuart Davis	Standard Brand	3,250,000

89.11	Giovanni Battista Cima	Madonna and Child	3,250,000
29.264	Diego Rodriguez de Silva Velazquez	A Man	3,125,000
47.81	Winslow Homer	The Dinner Horn	3,100,000
40.56	Winslow Homer	Girl and Laurel	3,000,000
59.11	Lyonel Feininger	Fisher off the Coast	3,000,000
74.2	Gaetano Gandolfi	Venus Receiving the Arms from Vulcan for Aeneas	3,000,000
77.1.2	Fra Angelico	Virgin Annunciate	3,000,000
74.122	Yves Tanguy	Shadow Country	2,950,000
64.459	Peter Paul Rubens	Saint Ives of Treguier, Patron of Lawyers, Defender of Widows and Orphans	2,750,000
70.150	Winslow Homer	The Four-Leaf Clover	2,750,000
51.66	Winslow Homer	Defiance: Inviting a Shot Before Petersburg	2,700,000
24.95	Benvenuto di Giovanni di Meo del Guasta	Virgin and Child with Angels	2,500,000
25.35	Carlo Crivelli	The Deposition of Christ	2,500,000
40.50	Michel Sittow	Catherine of Aragon as the Magdalene	2,500,000
59.444	Sodoma	The Holy Family and St. John	2,500,000
70.185	Amedeo Modigliani	Young Man with a Cap	2,500,000
72.436	Tony Smith	Gracehoper	2,500,000
73.1	Charles Le Brun	The Presentation of Christ in the Temple	2,500,000
45.454	Georgia O'Keeffe	Stables	2,375,000

F76.92	Donatello	The Nativity (Ford Nativity)	2,362,500
59.18	Thomas Germain	Tureen with Lid, Liner, and Stand	2,350,000
42.127	Claude Gellée	A Seaport at Sunset	2,300,000
26.107	Titian	The Appeal	2,250,000
41.10	Claude Gellée	Sunrise	2,250,000
44.271	Heinrich Campendonk	In the Forest	2,250,000
65.347	Niccolo dell' Abbate	Eros and Psyche	2,250,000
66.15	Giovanni di Paolo	Saint Catherine of Siena Dictating Her Dialogues	2,250,000
70.173	Edouard Manet	On the Beach	2,200,000
31.27	William Merritt Chase	My Little Daughter Dorothy	2,125,000
51.13	Bernardo Strozzi	Street Musicians	2,062,500
49.337	Antoine Jean Gros	Murat Defeating the Turkish Army at Aboukir	2,000,000
57.182	Otto Mueller	Gypsy Encampment	2,000,000
54.118	Charles Demuth	Buildings Abstraction, Lancaster	1,875,000
35.110	Oskar Kokoschka	View of Jerusalem	1,850,000
25.2	Egyptian	Head of a Woman	1,800,000
38.56	Giovanni Battista Piazzetta	Madonna and Child with an Adoring Figure	1,750,000
55.183.A	Thomas Germain	Tureen with Lid and Stand	1,750,000
61.28	Albert Bierstadt	The Wolf River, Kansas	1,750,000

78.38	Jasper Francis Cropsey	Indian Summer	1,750,000
08.9	Thomas Wilmer Dewing	The Recitation	1,700,000
27.316	Thomas Wilmer Dewing	Summer	1,700,000
73.3	Henry Clifton and Thomas Carteret, Philadelphia	High Chest of Drawers	1,700,000
49.23	Jean Antoine Houdon	Robert Fulton	1,625,000
50.20	Max Beckmann	Still Life with Lilies	1,600,000
77.12	Andrew Wyeth	Sea Boots	1,600,000
53.359	Francesco Guardi	View of Dolo on the Brenta	1,575,000
76.79	Kongo	Nail Figure	1,575,000
53.468	Domenico Ghirlandaio	Young Man	1,550,000
25.65	Jan de Cock	Lot and His Daughters	1,500,000
26.110	Andrea Solario	Saint George and Saint Sebastian	1,500,000
29.316	Giovanni del Biondo	Virgin Annunciate	1,500,000
29.322	Max Beckmann	Still Life with Fallen Candles	1,500,000
47.398	John Zoffany	Scene from "Love in a Village"	1,500,000
63.135	Karl Schmidt-Rottluff	Evening by the Sea	1,450,000
63.133	Oskar Kokoschka	Girl with Doll	1,425,000
25.6	George Benjamin Luks	Three Top Sergeants	1,400,000
58.385	Paula Modersohn-Becker	Old Peasant Woman	1,400,000

2010.106	Philip Guston	Driver	1,375,000
53.193	Lorenz Helmschmied	Armor in the Gothic Style	1,375,000
1999.119.A	Raoul Dufy	The Allegory of Electricity	1,350,000
66.68	Frank Stella	Union I	1,350,000
66.17	Johann Joachim Kaendler	Crane (Grus Grus)	1,325,000
2006.153	Raymond Duchamp-Villon	Le Cheval Majeur (The Large Horse)	1,250,000
24.96	Master of Città di Castello	Madonna and Child	1,250,000
89.30	Gerrit Adriaensz. Berckheyde	View of the Grote Kerk in Haarlem	1,250,000
16.31	Frank Weston Benson	My Daughter Elisabeth	1,200,000
25.20	Antonio Susini	Lion Attacking Horse	1,200,000
59.450	Ernst Ludwig Kirchner	Café	1,200,000
79.143	Childe Hassam	Notre Dame Cathedral, Paris, 1888	1,200,000
24.30	Maurice Brazil Prendergast	Landscape with Figures	1,175,000
2011.18	Sanford Robinson Gifford	On the Nile	1,150,000
29.321	Edvard Munch	Boy in Blue	1,150,000
29.315	Giovanni del Biondo	Angel Annunciate	1,125,000
79.30	Bartolomeo Manfredi	The Fortune Teller	1,125,000
62.97	Henry Moore	Reclining Figure	1,100,000
64.264	Jean Arp	Torso of a Giant	1,075,000

25.205	Domenico Ghirlandaio	Saint Michael and the Angels at War with the Devil	1,050,000
26.17	Boris Grigoriev	Russian Peasant Girl	1,050,000
70.229	Constantin Brancusi	Sleeping Child	1,050,000
1991.1015	Paul Klee	Translucencies, Orange-Blue	1,025,000
81.695	Giovanni Battista Foggini	Cupid and Psyche	1,025,000
77.72	Jean Francois de Troy	Luncheon with Figures in Masquerade Dress	1,020,000
89.39	Pieter de Hooch	Mother Nursing Her Child	1,000,000
25.183	Kongo	Knife Case and Lid	950,000
73.167	Pietro Piffetti	Secretary	950,000
01.2	John Mix Stanley	Indian Telegraph	900,000
59.443	Pierre Bonnard	Woman with Dog	875,000
63.134	Karl Schmidt-Rottluff	Man with a Green Beard	875,000
75.31	Camille Pissarro	The Kitchen at Piette's, Montfoucault	850,000
89.23	Guido Reni	Head of Christ Crowned with Thorns	850,000
37.2	Karl Schmidt-Rottluff	Rain Clouds, Lago di Garda	825,000
82.27	Giovanni Francesco Susini	Bacchus and a Young Satyr	825,000
19.34	Frederick Carl Frieseke	The Blue Gown	800,000
1990.10	Gioacchino Assereto	St. Francis of Assisi in Ecstasy before a Cherub with a Violin	800,000
22.203	Ferdinand Hodler	A Woman	800,000

49.417	Danese Cattaneo	Neptune: Allegory of Winter and Water	775,000
49.418	Danese Cattaneo	Mars: Allegory of Summer and Fire	775,000
53.177	Etienne Pollet	Toilet Service of the Duchesse de Cadaval	775,000
76.95	Robert Smithson	Non Site - Site Uncertain	775,000
21.205	Erich Heckel	Woman	750,000
26.113	Cristoforo Caselli	Saint Matthew and Saint Sebastian	750,000
44.90	Paul Klee	Reclining	750,000
46.135	Martin Johnson Heade	Sunset	750,000
56.85.2	Thomas Germain	Candelabrum	750,000
71.7	Claes Oldenburg	Giant Three-Way Plug	750,000
75.18	Claes Oldenburg	Alphabet / Good Humor - Cloth Study	750,000
77.14	Claes Oldenburg	Alphabet / Good Humor	750,000
36.10	Il Pensionante del Saraceni	The Fruit Vendor	725,000
15.12	Willard Leroy Metcalf	The White Veil	700,000
1983.24	Fang	Mask	700,000
37.11	Frederic Sackrider Remington	The Mountain Man	700,000
26.43	Willem Kalf	Still Life with Columbine Goblet	675,000
37.1	Emanuel de Witte	Interior of the Oude Kerk in Amsterdam	675,000
56.31	Thomas Cole	American Lake Scene	675,000

F76.14	Albrecht Dürer	Adam and Eve	650,000
64.218	Karl Hofer	Wind	625,000
74.123	Chaim Soutine	Red Gladioli	625,000
1992.290	Benin	Horse and Rider	615,000
55.519	Unknown	Pride	600,000
19.150	Robert Cozad Henri	Boy with Plaid Scarf	550,000
1995.26	Martin Johnson Heade	Seascape: Sunset	550,000
26.28	Maurice de Vlaminck	Marine	550,000
52.246	Augustus Saint-Gaudens	Abraham Lincoln	550,000
77.29	Fang	Head	550,000
34.191	Bacchiacca (Francesco Ubertini Verdi)	Saint John the Baptist in the Wilderness	545,000
56.85.1	Thomas Germain	Candelabrum	525,000
75.59	Felix Vallotton	Standing Nude Holding Gown on Her Knee	525,000
26.112	Cristoforo Caselli	Saint Paul and Saint James the Elder	500,000
28.123	Master of the Games	A Peasant Family	500,000
30.322	William James Glackens	The Promenade	500,000
46.359	Rogier van der Weyden	Saint Jerome in the Desert	500,000
57.88	Unknown	Yogini	500,000
1988.9	Jean-Frederic Bazille	Still Life with Fish	475,000

79.21	Pierre Puget	Le ravissement d'Helene	475,000
53.197	Unknown	Armor for the Tilt in the Saxon Fashion	462,500
14.5	Jonas Lie	Culebra Cut	450,000
19.36	Elie Nadelman	Resting Stag	450,000
19.43	Paul Manship	Dancer and Gazelles	450,000
1987.75	Louis Francois Roubiliac	Bust of Isaac Ware	450,000
1992.8	Henri Gervex	Cafe Scene in Paris	450,000
21.181	Unknown	Landscape	450,000
29.425	Unknown	Ceremonial Wine Vessel	450,000
58.383	Michel Sittow	A Young Man in a Red Cap	450,000
72.201	Rembrandt Harmensz van Rijn	Man Wearing a Plumed Beret and Gorget	450,000
79.22	Bamileke	Maternity Figure	450,000
41.124	Donatello	Coat of Arms of the Boni Family	437,500
76.159	Lovis Corinth	Still Life with Lilacs	437,500
2005.72	Thomas Wilmer Dewing	Commerce and Agriculture Bringing Wealth to Detroit	425,000
22.8	Andrea Previtali	Madonna and Child in Landscape	425,000
22.9	Antonio Rimpatta	Madonna and Child with the Infant Saint John the Baptist	425,000
24.113	Greek	Draped Female Figure	425,000
27.160	Augustus Edwin John	The Mumpers	425,000

50.31	John Haberle	Grandma's Hearthstone	425,000
82.49	Bena Lulua	Figure	425,000
19.66	James Earle Fraser	The End of the Trail	400,000
25.201	Odilon Redon	Evocation of Butterflies	400,000
25.41	Maso di Banco	Virgin Enthroned with Saints, Nativity and Crucifixion	400,000
26.370	Sawos	Ceremonial Shield	400,000
29.331	Georg Kolbe	Assunta	400,000
38.80	Bernardino dei Conti	Gentleman of the Trivulzio Family	400,000
69.361	Ellsworth Kelly	Black White	400,000
82.3	Paul Manship	The Moods of Time: Evening	400,000
20.100	Henry Raeburn	Henry David Erskine, Twelfth Earl of Buchan	375,000
2001.36	Severin Roesen	Flowers	375,000
36.30	Paolo Veronese	The Muse of Painting	375,000
37.74	Unknown	Vase	375,000
10.6	Willard Leroy Metcalf	Unfolding Buds	350,000
19.19	Childe Hassam	Surf and Rocks	350,000
19.37	Elie Nadelman	Wounded Stag	350,000
1990.245	Doccia Porcelain Factory	Apollo in his Chariot	350,000
1996.32	Joseph Chinard	Perseus Rescuing Andromeda	350,000

25.206	Unknown	Young Man	350,000
44.165	Washington Allston	The Flight of Florimell	350,000
45.455	Charles Sheeler	Home Sweet Home	350,000
53.470	Oskar Kokoschka	The Cat	350,000
70.680	Theodore Robinson	Scene at Giverny	350,000
29.355	Luca della Robbia	Madonna and Child	340,000
1994.88	Thomas Worthington Whittredge	The Baptism	325,000
1998.58	Ercole Ferrata	Portrait Bust of Ottaviano Acciaiuoli	325,000
39.6	Asher Brown Durand	Monument Mountain, Berkshires	325,000
43.418	Jacob Jordaens	Job	325,000
72.839	Thomas Wilmer Dewing	Classical Figures	325,000
73.254	Antonio Montauti	The Return of the Prodigal Son	325,000
46.260	Etruscan	Bronze Statuette of a Rider	317,500
27.158	Arthur Bowen Davies	Dances	312,500
53.196	Unknown	Armor for the Tilt	312,500
1983.13	Franz Ignaz Günther	Christ at the Column	300,000
1998.1	Richard Wilson	Caernarvon Castle	300,000
21.102	Charles Rennie Mackintosh	Petunias	300,000
26.22	Jan Baptist Weenix	Still Life with a Dead Swan	300,000

28.95	Nicolas Lancret	The Repast of the Hunting Party	300,000
29.320	Andrea di Bartolo	Christ in Benediction	300,000
55.175	Richard Caton Woodville	The Card Players	300,000
21.70	William McGregor Paxton	Woman Sewing	290,000
47.122	George Benjamin Luks	Woman with Macaws	287,500
26.126	Byzantine	Casket	275,000
26.180	Benin	Royal Portrait	275,000
29.324	Giorgio de Chirico	Horses	275,000
29.357.A	Carl Milles	Europa and the Bull	275,000
51.9	Ojibwa	Bowl in the Form of a Beaver	275,000
53.200	Unknown	Corsaletto	262,500
08.7	John Henry Twachtman	The Pool	250,000
1999.1	Martin Puryear	Untitled, 1997	250,000
25.22	Albert Pinkham Ryder	Summer Night, Moonlight	250,000
30.370	Rembrandt Harmensz van Rijn	Christ	250,000
50.19	Albert Pinkham Ryder	The Tempest	250,000
81.698	Easter Island	Gorget	250,000
F80.215	Robert S. Duncanson	Ellen's Isle, Loch Katrine	250,000
23.100	George Inness	Apple Orchard	240,000

51.331	George Inness	The Lonely Pine	240,000
26.106	Unknown	Adoration of the Magi, St. Severus and St. Walburga, St. James and St. Philip	225,000
26.124	Francesco da Valdambino	Corpus of Christ	225,000
29.348	Francesco Fanelli	Don Gaspar de Guzman, Duke of San Lucar, known as the Count-Duke of Olivares (1587-1645)	225,000
30.371	Egyptian	Relief of Peasants Driving Cattle and Fishing	225,000
82.26	John White Alexander	Panel for Music Room	225,000
15.2	Paul Manship	Centaur and Dryad	210,000
25.145	Domenico di Michelino	The Trinity	210,000
28.147	Unknown	Reliquary	210,000
10.21	Birge Harrison	Fifth Avenue at Twilight	200,000
1997.80	Olówè of Isè	Palace Door	200,000
27.382	Philippe Magnier	Nymph and Eros	200,000
27.383	Antoine Coysevox	Le Fleuve la Garonne	200,000
28.150	Unknown	Attendant Deity	200,000
28.99	Marie Laurencin	Mother and Child	200,000
49.498	Robert S. Duncanson	Uncle Tom and Little Eva	200,000
55.520	Unknown	Charity	200,000
55.521	Unknown	Fortitude	200,000
55.522	Unknown	Wrath	200,000

89.44	Rembrandt Harmensz van Rijn	The Death of Lucretia (?)	200,000
22.10	Francesco dai Libri	Madonna and Child	190,000
27.211	Roman	Head of a Man	190,000
53.198	Unknown	Half-Armor	187,500
21.182	Unknown	Virgin and Child Enthroned	185,000
21.197	Unknown	Altar Cross	185,000
22.30	Unknown	Virgin and Child with Donor	185,000
1992.42	Bartolomeo Bellano	Head of a Youth or Angel	175,000
21.213	Georg Kolbe	Resurrection	175,000
65.162	Henri Matisse	Plumed Hat	175,000
70.323	Emil Nolde	Portrait of the Artist and His Wife	175,000
59.124.A	Fontana Workshop	Childbirth Set	172,500
43.486	William Merritt Chase	Portrait of a Lady in Black	162,500
67.254	William Merritt Chase	Mrs. William Merritt Chase	162,500
70.831	Benjamin West	Lot Fleeing from Sodom	162,500
20.113	Eugene Louis Boudin	View of Antibes	160,000
21.209	Erich Heckel	Sunflowers	160,000
29.327	James Ensor	Le Ballet Féerique (Le Jardin D'Amour)	160,000
31.55	Islamic	Ewer	160,000

2004.14	Hale Woodruff	The Art of the Negro: Artists (Study)	150,000
25.147	Tino di Camaino	Madonna and Child	150,000
26.108	Guercino (Giovanni Francesco Barbieri)	Christ and the Woman of Samaria	150,000
27.380	Donatello	Saint George	150,000
27.381	Michelangelo	Dying Slave	150,000
28.144	John Crome	View near Weymouth	150,000
35.119	Thomas Doughty	In Nature's Wonderland	150,000
38.25	Turone da Verona	Crucifixion	150,000
69.452	Henry Ossawa Tanner	Flight into Egypt	150,000
70.328	Karl Schmidt-Rottluff	Water Lilies	150,000
81.644	Meskwaki	Bear Claw Necklace	150,000
24.73	Aristide Maillol	Crouching Female	140,000
25.184	Niccolo Tribolo	Putto and Two Geese	140,000
28.83	Unknown	Vase	140,000
24.98	Egyptian	Relief of Mourners and Funeral Meats	137,500
42.59	Asher Brown Durand	View of Rutland, Vermont	137,500
28.181	Renee Sintenis	Donkey	135,000
28.94	Jan Fyt	Dead Game and Weasels	135,000
25.18	Unknown	Angel Holding Candlestick	130,000

51.54	Girolamo Campagna	Athena Armed	130,000
16.13	Solon Hannibal Borglum	Lassoing Wild Horses	125,000
1983.7	Eskimo	Winged Object	125,000
26.7	Riza-i 'Abbasi	Pair of Doors	125,000
29.313	Islamic	Double-niche rug	125,000
29.41	Luca Signorelli	The Resurrected Christ Appearing to St. Magdalene	125,000
29.42	Luca Signorelli	The Resurrected Christ Appearing to His Disciples	125,000
44.219	School of Florence	The Agony in the Garden	125,000
44.220	School of Florence	Pilate Washing his Hands	125,000
47.397.A	Dick Price	Sisiutl	125,000
59.312	John Mix Stanley	Mountain Landscape with Indians	125,000
80.25	Unknown	Tray with Design of Cranes and Chrysanthemums	125,000
22.12	Andrea di Bartolo	Madonna and Child	120,000
26.111	Antoniazio Romano	Christ Enthroned, the Virgin, Saint Francesca Romana, an Angel and Donor	120,000
1994.77	Unknown	Pietre dure Cabinet	115,000
22.254.1	Unknown	Console	115,000
24.104	Roman	Head of Bearded Man	115,000
24.13	Tyskiewicz Painter	Jar depicting Aphrodite, Hera and Hermes	115,000
27.208	Roman	Sarcophagus with Winged Victories Holding Plaque	115,000

48.137	Islamic	Summer Floor Covering (nihale)	115,000
16.16	William Merritt Chase	Self Portrait	112,500
24.110	Bonino da Campione	Madonna and Child	110,000
27.273	Islamic	'Dragon' Rug	110,000
26.138	Unknown	Sarcophagus	105,000
29.443	Unknown	Buddha Triad with Mandorla	105,000
13.8	Robert Reid	The Miniature	100,000
2001.74	Islamic	Section of a Tile Panel	100,000
25.151	Agostino di Giovanni	Madonna and Child with Angels	100,000
26.181	Islamic	Bowl	100,000
27.541	Unknown	Scene from "The Tale of Genji": from the chapter "The Maiden"	100,000
29.297	Islamic	Inkwell	100,000
30.283	Paul Klee	Woman Reading	100,000
34.153	Tintoretto	Study after Michelangelo's Saint Damian	100,000
53.273	Irish	Lunula	100,000
27.314	Dwight William Tryon	Autumn	95,000
27.315	Dwight William Tryon	Spring	95,000
30.421	Islamic	Bowl Inscribed "Wealth"	90,000
1997.72.A	Louis Comfort Tiffany	Tall Case Clock	85,000

22.15	Raoul Dufy	Still Life	85,000
24.105	Cypriot	Head of a Bearded Man	85,000
25.43	Mariotto di Nardo	Madonna and Child	85,000
27.546	Anonymous	Seated Nyoirin Kwannon	85,000
29.333	Unknown	Saint John the Evangelist	85,000
30.291	Max Kaus	Man in a Fur Coat	85,000
30.432.A	Islamic	Salt Cellar inscribed with Poem about Salt	85,000
28.186	Edward Hopper	The Locomotive	82,500
21.23	Bessie Potter Vonnoh	Allegresse	80,000
26.144	Unknown	Transenna	80,000
26.145	Unknown	Transenna	80,000
27.1	Unknown	Tomb Effigy of a Recumbent Knight	80,000
29.430	Edward Hopper	Night in the Park	80,000
76.144	Cheyenne	Shield	80,000
2002.216	Claes Oldenburg	Inverted Q	75,000
22.11	Antoniazio Romano	Madonna and Child	75,000
25.114	George Wesley Bellows	A Knockout, Second State	75,000
25.5	Islamic	Bottle	75,000
26.79	Dante Gabriel Rossetti	A fight for a Woman	75,000

29.233.A	Egyptian	Portion of a Carpet	75,000
29.356	Carl Milles	Folke Filbyter	75,000
57.84	Robert S. Duncanson	Fruit Piece	75,000
70.651	Claes Oldenburg	Profile Airflow	75,000
77.49	Maya	Embracing Couple	75,000
79.179	Western Apache	Olla	75,000
82.33.A	Korean	Stationery Box with Design of Lotus Blossoms and Scrolls	75,000
85.3	Rembrandt Peale	The Court of Death	75,000
24.120	Leningrad Painter	Mixing Vessel	70,000
26.142	Unknown	Christ and the Symbols of the Four Evangelists	70,000
26.179	Unknown	Transenna	70,000
28.81.1	Jean Hauré	Sconce	70,000
77.78	Nazca Huari	Ceremonial Textile	70,000
24.108.A	St. Romauld and Camaldolse Monks	Choral Leaf Fragment: Historiated "A" with Six Monks Presenting a Book to an Enthroned Saint (?)	67,500
1999.58	William T. Williams	The Flute Player	65,000
2000.44	Howardena Pindell	Autobiography: Air/CS560	65,000
24.127	Swing Painter	Storage Jar	65,000
28.112	Max Kaus	Young Woman Sewing	65,000
28.67	Unknown	Four Heads of Buddhist Divinities	65,000

30.285	Oscar Ghiglia	The Artificial Rose	65,000
38.9	Jacques de Gheyn II	Studies of the Heads of Two Youths and an Old Woman	65,000
45.130	Roman	Oscillum with Satyr and Maenad	65,000
47.82	Robert Crosman	Taunton Chest	65,000
21.79	Wilhelm Pleydenwurff	The Nuremberg Chronicle	60,000
27.547	Anonymous	Seated Kwannon with Two Attendants	60,000
28.100	Maurice Utrillo	The Country House	60,000
70.953	Mather Brown	Sir George Augustus Elliott, Baron Heathfield	60,000
25.36	Islamic	Tile	57,500
28.88	François-Joseph Duret	Flora	57,500
26.90	Thomas Sully	Mrs. Edward Hudson	55,000
27.281	Micali Painter	Storage Jar	55,000
28.96	Andre Derain	Bay of Ciotat	55,000
28.97	Andre Derain	Young Girl	55,000
29.347	Wilhelm Lehmbruck	Standing Female Figure	55,000
30.372	Egyptian	A Middle Kingdom Dignitary	55,000
26.20	Augustin Hirschvogel	Landscape with the Conversion of Saulus	52,500
30.373	Egyptian	Scarab	52,500
1986.25	Huari	Tunic	50,000

2002.126	Robert Colescott	Change Your Luck	50,000
21.135	Jean Duvet	The Martyrdom of Saint John the Evangelist	50,000
21.192	Unknown	The Dream of Daniel	50,000
24.72	Aristide Maillol	Standing Female	50,000
26.369	Papuan Gulf	Ceremonial Shield	50,000
27.542	Anonymous	Seishi, the Wisdom of Amida, Seated on Lotus Pedestal	50,000
27.545	Anonymous	Amida, Jizo, Seishi, Kwannon and Raikabutsu	50,000
30.359	Rembrandt Harmensz van Rijn	Abraham's Sacrifice	50,000
30.362	Rembrandt Harmensz van Rijn	Abraham Entertaining the Angels	50,000
47.180	Vera Cruz	Palma with Maize God Receiving a Human Sacrifice	50,000
51.10	Ojibwa	Scoop or Spoon	50,000
52.207	Robert S. Duncanson	William Berthelet	50,000
78.87	Hale Woodruff	Ancestral Memory	50,000
F1983.73	Bob Thompson	The Death of Camilla	50,000
1994.19	Donald Sultan	Oranges on a Branch March 14, 1992	45,000
21.189	School of Burgundy	Saint Paul	45,000
22.213	A Stone Buddhist stele	Buddha with Attendants	45,000
22.277	Unknown	Pieta	45,000
26.139	Roman	Strigilated Sarcophagus with Figures of Salus & Asclepius	45,000

26.161	Unknown	Amida Buddha	45,000
26.35	Auguste Herbin	Still Life	42,500
29.301.A	The Annunciation	Antiphonary Leaf: Historiated "M" with Annunciation	42,500
29.302.A	The Assumption	Antiphonary Leaf: Historiated "V" with Assumption	42,500
40.49	Egyptian	Cinerary Urn	42,500
45.120	Roman	Bull Statuette	42,500
82.29	Mangbetu	Harp	40,770
1983.31.1	Sam Gilliam	The Arc Maker I & II	40,000
1985.18	Judy Pfaff	The Italians	40,000
22.205	Niklaus Weckmann	Virgin and Child	40,000
24.14	Group E, Greek	Neck Amphora	40,000
25.176	Byzantine	Calendar of the Twelve Great Feasts of the Orthodox Church	40,000
26.10	Benin (i)	Warrior	40,000
26.109	Jan van Coninxloo	The Crucifixion	40,000
26.11	Benin (II)	Warrior	40,000
26.116	Mariano Andreu	Spanish Dancer	40,000
26.117	Mariano Andreu	The Bathers	40,000
26.32	Paul Signac	Port Louis	40,000
26.33	Paul Signac	The Seine	40,000

28.103	Gino Severini	Still Life	40,000
29.312	William Cripps	Epergne	40,000
29.330	Aristide Maillol	Venus	40,000
60.66	Jean-Léon Gérôme	Solitude	40,000
22.225	Islamic	Carpet with a Large Octagon and Four Small Octagons	37,500
26.120	Unknown	The Flagellation	37,500
26.89	Thomas Sully	Dr. Edward Hudson	37,500
30.380	George Grosz	Conversation	37,500
30.446	Islamic	Seven-wick Lamp	37,500
30.460	Islamic	Bowl	37,500
1987.93	Navajo	Wearing Blanket	35,000
1989.50	Alvin Loving	J.E. and the Uptown A's	35,000
1997.8	Sèvres Porcelain Manufactory	Napoléon I	35,000
2001.38	Augusta Savage	Gamin	35,000
25.156	Donatello	Coat of Arms of the Martelli Family	35,000
26.223	Unknown	Window Frame	35,000
28.132	Tibetan	Yamantaka and Minor Deities	35,000
29.318	Antonio Vivarini	Scene from the Life of a Female Saint	35,000
29.342	Unknown	Lady with Phoenix Headdress	35,000

30.274	Unknown	Portrait of an Artist	35,000
53.171	Unknown	Tiger Mask	35,000
53.175	Unknown	Central Asian Musician	35,000
53.176	Unknown	Central Asian Musician	35,000
21.194	Unknown	Saint Catherine	32,500
25.61	Ivan Mestrovic	Contemplation	32,500
27.216	Roman	Cinerary Urn	32,500
22.279	Unknown	Chandelier	31,000
1992.214	Beauford Delaney	Self Portrait	30,000
21.31	Charles Cottet	The Port of Douarnenez	30,000
25.161	Unknown	Candelabrum Relief	30,000
26.129	Unknown	Bas-relief of a Horse	30,000
28.141	Unknown	Gateleg Table	30,000
28.145	Islamic	Dish	30,000
29.250	William Savery	Arm Chair	30,000
25.155	Unknown	Relief	29,000
1992.279	Sèvres Porcelain Manufactory	Fénelon, from the "Great Men" Series	27,500
22.29	Unknown	Drawing Room	27,500
29.259	Alexander Helwig Wyant	Summer Landscape	27,500

31.347	Islamic	Carved Panel, possibly from a cenotaph	27,500
26.155	Unknown	Coat of Arms of the Neapolitan Branch of the Antinori Family	26,500
26.193	Unknown	Roundel with Two Lions (?) in Combat	26,500
26.203	Unknown	Coat of Arms of Federico da Montefeltro	26,500
09.1S1047	Jacob Isaaksz van Ruisdael	Cottage on the Summit of the Hill	25,000
21.196	Unknown	Dish	25,000
74.44	Richard Hunt	Field Section	25,000
22.206	Unknown	Saint Bridget of Sweden	24,000
26.143	Unknown	Coat of Arms of Pope Leo X, of the Deputy Apostolic Legate in Bologna, Archbishop Altobello Averoldi of Brisighella, and of the town of Bologna	24,000
26.183	Unknown	Coat of Arms	23,500
22.246	Unknown	Roundel with Pair of Dragons	22,500
22.247	Unknown	Roundel with Pair of Birds	22,500
26.146	Unknown	Lion	22,500
26.192	Unknown	Roundel with Bird Attacking a Rabbit	22,500
27.210	Arnolfo di Cambio	Angel	22,500
27.573	Unknown	Arm Chair	22,500
26.119	Unknown	An Apostle	21,000
26.205	Unknown	Coat of Arms of the Brancaccio Imbriani Family	21,000
27.217	Roman	Fish	21,000

1986.66	Sam Gilliam	Gram	20,000
21.116	Honore Daumier	Le ventre legislatif	20,000
26.235	Unknown	Lunette	20,000
24.77	Unknown	Lamentation over the Dead Christ	18,500
27.241	Unknown	Coat of Arms, Governor of Duren	18,500
1992.43	Meissen Porcelain Manufactory	Teapot	17,500
26.148	Unknown	Fragment of a Relief	17,500
26.217	Unknown	Coat of Arms of Niccolo Sottile (?)	17,500
26.221	Unknown	Coat of Arms, probably of the Suarez Family	17,500
46.145	Pablo Picasso	Le combat	17,500
22.249	Unknown	Roundel with Lion Passant	16,000
26.219	Unknown	Relief Panel with Birds and Lions	16,000
28.91	Islamic	Dish	16,000
22.245	Unknown	Roundel with Mermaid	15,000
22.248	Unknown	Roundel with Lion Attacking a Deer	15,000
26.156	Unknown	Roundel With a Bird Attacking a Rabbit	15,000
26.187	Unknown	Roundel with Bird Attacking a Rabbit	15,000
26.188	Unknown	Roundel with Bird Attacking a Rabbit	15,000
26.194	Unknown	Roundel with Horsemen in Combat with a Feline Animal	15,000

26.220	Unknown	Relief Fragment	15,000
77.71	Bamgboye of Odo-Owa	Epa Cult Mask	15,000
21.184	Unknown	Crespina Istoriato	14,000
24.143	Larghetto Painter	Mixing Vessel	14,000
24.147	Dotted Stripe Group, Greek	Fish Plate	14,000
26.170	Unknown	Ciborium Fragment	14,000
26.189	Unknown	Roundel: Two Birds Flanking a Tree	14,000
26.190	Unknown	Roundel with Pair of Birds	14,000
26.197	Unknown	Roundel with Agnes Dei	14,000
28.79	Jean-Baptiste-François Cronier	Mantel Clock	14,000
31.349	Islamic	Tile with Lotus Blossoms	14,000
29.214	Unknown	Standing Bowl	13,500
26.196	Unknown	Roundel with Fox Attacking a Sheep	13,000
26.201	Unknown	Roundel with Two Animals in Combat	13,000
27.220	Unknown	Coat of Arms of the Pasqui or possibly Bernardi Family	13,000
2002.136.1	Fletcher and Gardiner	Coffee Pot	12,500
26.215	Unknown	Coat of Arms of Federico da Montefeltro	12,500
09.1S932	Rembrandt Harmensz van Rijn	Angel Departing from the Family of Tobias	12,000
47.160	Rembrandt Harmensz van Rijn	Angel Departing from the Family of Tobias	12,000

24.11	Greek	Flask	11,750
26.213	Unknown	Coat of Arms of the Fiaschi Family	11,500
1993.24	C. F. A. Voysey	Arm Chair	11,000
26.212	Unknown	Coat of Arms of the Pucci delle Stelle Family	11,000
27.221	Unknown	Coat of Arms, possibly of the Gioacchini Family	11,000
79.37	Pende	Mask	11,000
26.202	Unknown	Coat of Arms, Probably of the 'Capitani del Bigallo'	10,500
26.209	Unknown	Coat of Arms of the Gazola Family	10,500
26.214	Unknown	Coat of Arms of the Courtot de Cissey Family	10,500
1994.3.A	Boston & Sandwich Glass Company	Overlaid Glass Lamp	10,000
52.130	Edgar Degas	Horses in the Meadow	10,000
24.12	Painter of the Lowering Bulls	Bottle	9,750
30.457	Islamic	Jug	9,750
27.218	Unknown	Sarcophagus	9,500
30.431	Islamic	Mirror with Benedictory Inscription	9,250
1993.49	Robert Moskowitz	Hard Ball III	9,000
26.191	Unknown	Roundel with Bird Attacking a Rabbit	9,000
26.206	Unknown	Coat of Arms, Probably of the Nini Family	9,000
26.208	Unknown	Coat of Arms of the Swiss Luder Family and of the Lund Family, from Schleswig	9,000

26.210	Unknown	Coat of Arms, unidentified Italian or possibly of the Michault de St-Mars Family	9,000
25.149	Unknown	Cassone	8,500
26.158	Unknown	Madonna and Child with Saints and Angels	8,500
30.447	Islamic	Base of a Lamp Stand wwith Benedictory Inscription	8,500
78.43	Unknown	Capital	8,500
70.95	Guro	Standing Female Figure	8,130
62.70	Rembrandt Harmensz van Rijn	Descent from the Cross by Torchlight	8,000
1995.5	Allie McGhee	Night Ritual	7,500
2011.2	Alison Saar	Blood/Sweat/Tears	7,500
26.207	Unknown	Coat of Arms, Probably of the Tafuri	7,500
29.252	John E. Elliott	Mirror	7,500
26.157	Unknown	Relief Fragment with a Bird	7,000
26.200	Unknown	Roundel with a Feline Animal Attacking a Rabbit	7,000
26.211	Unknown	Coat of Arms of the Medici Family	7,000
26.216	Unknown	Keystone	7,000
39.657	Unknown	Writing Table	7,000
26.204	Unknown	Coat of Arms, Probably of the Della Gherardesca Family	6,500
27.275.A	Roman	Earring	6,500
29.308	Alexander Rood	Tankard	6,500

29.309	David King	Two-Handled Cup	6,500
49.288	Joseph Anthony, Jr.	Sauceboat	6,500
22.232	Georg Vest	The Ascension	5,500
26.154	Palestinian	Ampulla	5,500
2008.5	Georges de Feure	Vase	5,000
F66.40	Rembrandt Harmensz van Rijn	Adoration of the Shepherds	5,000
27.274.A	Roman	Earring	4,750
26.178	Bertoldo di Giovanni	Triumph of Love	4,500
29.386	Islamic	Fragment of a Tiraz Textile with Multiple Inscriptions (illegible)	4,250
30.462	Islamic	Bowl Inscribed "Increasing Prosperity, Wealth"	4,250
25.83	Unknown	Capital: Sinner Fleeing from a Chimera	4,000
25.84	Unknown	Capital: Two Heads between Foliate Forms	4,000
30.461	Islamic	Bowl	4,000
31.54	Islamic	Dish	4,000
24.88	Valerio Belli	Mythological Subject	3,250
09.1S969	Rembrandt Harmensz van Rijn	Cottage beside a Canal: A View of Diemen	3,000
24.86	Valerio Belli	The Judgement of Paris	3,000
26.218	Unknown	Decorative Relief	3,000
30.440	Islamic	Pierced-work Lamp Section with Benedictory Inscription	3,000

69.359	Pablo Picasso	Sueño y Mentira de Franco (Planche I)	3,000
90.1S14462	Kongo	Male Figure	3,000
24.78	Jacopo Sansovino	Madonna and Child with the Young Saint John	2,750
24.84	Antonio Abondio	Pieta with Two Cherubs	2,750
30.442	Islamic	Spigot	2,750
30.452	Iranian	Vase	2,100
1994.94.1A	Boston & Sandwich Glass Company	Jewel Casket	2,000
1996.13	Boston & Sandwich Glass Company	Lacy Compote	2,000
26.195	Unknown	Roundel with Bust of Christ	2,000
48.250	Henri Matisse	L'Avaleur de sabres	2,000
30.433	Islamic	Mirror Case	1,650
30.434	Islamic	Mortar	1,500
30.439.A	Islamic	Ewer inscribed "Prosperity, favor"	1,500
26.152	Byzantine	Adoration of the Kings	1,250
26.404	Simon Gate	Bowl	1,250
29.225	Islamic	Mirror with a Harpy	1,200
26.177	Unknown	Relief Fragment	1,150
09.1S976	Rembrandt Harmensz van Rijn	Young Man in a Velvet Cap	1,000
29.392	Islamic	Fragment of a Tiraz Textile	1,000

59.80	Rembrandt Harmensz van Rijn	Bust of a Man Wearing a High Cap, Three-Quarters Right: The Artist's Father(?)	1,000
29.227	Islamic	Mirror with Flying Phoenixes	925
30.437	Persian	Lamp with Benedictory Inscription	925
30.438	Persian	Lamp with Benedictory Inscription	925
26.255	Villanovan	Pin	500
1990.19	Asante	Soul Washers Badge	400
29.224	Persian	Mirror with Benedictory Inscription	400
79.28.2	Suzuki Kiitsu	Reeds and Cranes	-

Attachment K

Step 2 Attachment Supplement

I. CHRISTIE'S REPORT:

VWA reviewed Christie's Appraisals, Inc.'s ("Christie's") "Fair Market Value for Financial Planning" ("Christie's Report") dated December 17, 2013, attached as Exhibit 2 to the Expert Report of Vanessa Fusco, dated July 8, 2014, and considered all values Christie's ascribed to works at the DIA.

Christie's Phase	Christie's # of Objects	Christie's Low Value	Christie's High Value	Christie's Average Value
0	1032	-	-	
1	326	421,572,850	805,167,200	613,370,025
2	119	29,620,000	55,800,000	42,710,000
3	1296	3,085,145	6,030,040	4,557,593
Grand Total	2773	454,277,995	866,997,240	660,637,618

PHASE 1: SUMMARY OF CHRISTIE'S REPORT

Christie's Phase 1	Sum of Christie's Low Value	Sum of Christie's High Value	Sum of Christie's # of Objects
19th Century European Art	2,000,000	3,000,000	1
20th Century Decorative Art & Design	410,500	824,000	9
African & Oceanic Art	850,000	1,600,000	2
American Art	12,220,000	25,870,000	17
American Furniture & Decorative Arts	120,000	218,000	8
American Indian Art	300,000	500,000	8
Antiquities	2,272,400	6,187,800	26
Architectural Elements	1,185,800	2,358,500	68
Chinese Ceramics & Works of Art	600,000	1,300,000	2
European Furniture, Sculpture and Decorative Objects	3,442,000	7,833,500	57
Impressionist & Modern Art	172,470,000	328,420,000	25
Islamic Art	3,021,150	7,378,400	44
Old Master Paintings	219,230,000	412,190,000	36
Porcelain, European Ceramics & Glass	1,308,000	3,268,000	9
Pre-Columbian Art	40,000	60,000	1
Prints & Multiples	15,000	25,000	1
Silver & Objects of Vertu	55,000	89,000	9
Indian & Southeast Asian Art	2,000,000	4,000,000	1
Post-War & Contemporary Art	33,000	45,000	2
Grand Total	421,572,850	805,167,200	326

PHASE 2: SUMMARY OF CHRISTIE'S REPORT

Christie's Phase 2	Sum of Christie's Low Value	Sum of Christie's High Value	Sum of Christie's # of Objects
20th Century Decorative Art & Design	200,000	400,000	1
African & Oceanic Art	400,000	660,000	4
American Art	3,050,000	6,510,000	9
American Indian Art	40,000	60,000	1
Antiquities	290,000	1,165,000	9
Books & Manuscripts	125,000	300,000	7
Chinese Ceramics & Works of Art	2,130,000	5,030,000	13
Chinese Paintings	1,000,000	1,800,000	2
European Furniture, Sculpture and Decorative Objects	110,000	270,000	3
Impressionist & Modern Art	5,195,000	10,570,000	27
Islamic Art	175,000	300,000	3
Japanese Art	280,000	410,000	5
Modern British Art	250,000	600,000	1
Old Master Drawings	12,100,000	20,180,000	3
Old Master Paintings	2,330,000	4,360,000	19
Prints & Multiples	345,000	535,000	7
Russian Art	830,000	1,350,000	2
Indian & Southeast Asian Art	770,000	1,300,000	3
Grand Total	29,620,000	55,800,000	119

ALL PHASES: CHRISTIE'S REPORT TOP 15 WORKS BY VALUE

Christie's Lot Num.	Artist	Title	Christie's Low Value	Christie's High Value	Christie's Average Value
244	Pieter Bruegel the Elder	The Wedding Dance	100,000,000	200,000,000	150,000,000
197	Vincent Willem van Gogh	Self Portrait	80,000,000	150,000,000	115,000,000
266	Rembrandt Harmensz van Rijn	The Visitation	50,000,000	90,000,000	70,000,000
186	Henri Matisse	The Window	40,000,000	80,000,000	60,000,000
176	Edgar Degas	Dancers in the Green Room	20,000,000	40,000,000	30,000,000
188	Claude Monet	Gladioli	12,000,000	20,000,000	16,000,000
376	Michelangelo	Scheme for the Decoration of the C	12,000,000	20,000,000	16,000,000
240	Neri di Bicci	Tobias and Three Archangels	8,000,000	15,000,000	11,500,000
256	Frans Hals	Portrait of Hendrik Swalmius	6,000,000	10,000,000	8,000,000
270	Michael Sweerts	In the Studio	5,000,000	10,000,000	7,500,000
264	Antoine Le Nain	The Village Piper	6,000,000	8,500,000	7,250,000
239	Giovanni Bellini	Madonna and Child	4,000,000	10,000,000	7,000,000
268	Sassetta	The Procession to Calvary	5,000,000	8,000,000	6,500,000
21	John Singer Sargent	Mosquito Nets	4,500,000	8,000,000	6,250,000
247	Jean Siméon Chardin	Still Life with Dead Hare	5,000,000	7,000,000	6,000,000
250	Jan van Eyck	Saint Jerome in His Study	4,000,000	8,000,000	6,000,000

II. ARTVEST REPORT:

VWA reviewed Artvest Partners LLC's ("Artvest") July 8, 2014 report "Expert Witness Report of Michael Plummer" ("Artvest Report") and considered all values Artvest ascribed to works at the DIA.

ARTVEST REPORT'S GROUP 3:

"HIGH VALUE, NON-COD WORKS IN THE DIA COLLECTION, THAT DIA VALUED FOR INSURANCE PURPOSES OR OTHERWISE OF \$1,000,000 OR MORE."

Artvest Category	Artvest Low Value	Artvest High Value	Artvest Average Value	Count of Objects
Africa, Oceania & Indigenous America	3,100,000	5,200,000	4,150,000	6
American Art Before 1950	222,355,000	325,885,000	274,120,000	86
Ancient Near Eastern Art	80,000,000	180,000,000	130,000,000	3
Asian Art	200,000	300,000	250,000	1
Contemporary Art after 1950	238,800,000	318,700,000	278,750,000	25
European Modern Art to 1950	371,880,000	518,140,000	445,010,000	51
European Painting	601,790,000	861,470,000	731,630,000	120
European Sculpture and Decorative Arts	46,150,000	72,000,000	59,075,000	49
Islamic Art	80,000	150,000	115,000	1
Prints, Drawings & Photographs	4,940,000	8,160,000	6,550,000	6
Timepieces	60,000	80,000	70,000	1
Grand Total	1,569,355,000	2,290,085,000	1,929,720,000	349

ARTVEST REPORT'S TOP 15 WORKS BY VALUE

Artvest OBS	Artist	Title	Artvest Low Value	Artvest High Value	Artvest Average Value
181	Vincent Willem van Gogh	Portrait of Postman Roulin	80,000,000	120,000,000	100,000,000
166	Pablo Picasso	Melancholy Woman	60,000,000	80,000,000	70,000,000
96	Neo-Assyrian	Tiglath-Pileser III Receiving Homag	40,000,000	80,000,000	60,000,000
83	Frederic Edwin Church	Cotopaxi	40,000,000	60,000,000	50,000,000
95	Neo-Babylonian	Snake-Dragon, Symbol of Marduk,	30,000,000	70,000,000	50,000,000
169	Pablo Picasso	Woman Seated in an Armchair	40,000,000	60,000,000	50,000,000
187	Vincent Willem van Gogh	Bank of the Oise at Auvers	40,000,000	50,000,000	45,000,000
115/116	Andy Warhol	Self Portrait: Former Double Self Po	40,000,000	50,000,000	45,000,000
121	Barnett Newman	Be I (second version)	35,000,000	45,000,000	40,000,000
54	James Abbott McNeill Whistler	Nocturne in Black and Gold, the Fal	25,000,000	45,000,000	35,000,000
111	Mark Rothko	Orange, Brown	30,000,000	40,000,000	35,000,000
188	Paul Cezanne	Madame Cezanne	30,000,000	40,000,000	35,000,000
277	Michelangelo Merisi da Caravaggio	Martha and Mary Magdalene	30,000,000	40,000,000	35,000,000
143	Franz Marc	Animals in a Landscape	25,000,000	40,000,000	32,500,000
197	Georges Pierre Seurat	View of Le Crotoy from Upstream	20,000,000	40,000,000	30,000,000

III. WINSTON REPORT

VWA reviewed Winston Art Group's ("Winston") report "Fair Market Value Appraisal" (the "Winston Report") for property in the collection of the DIA and considered all values Winston ascribed as of March 25th, 2014.

Winston Group Categories	Winston Count of Objects	Sum of Winston Value
Fine Art	483	1,645,631,950
Furniture, Decorative Art, Silver , and Armor	39	21,575,500
Other	60	75,038,300
Grand Total	582	1,742,245,750

WINSTON REPORT BREAKDOWN BY CLASSIFICATIONS

Winston Classifications	Winston Count of Objects	Sum of Winston Values	Percentage by Classification
African	13	4,057,900	0.23%
Ancient Near East	4	39,000,000	2.24%
Armor	5	3,550,000	0.20%
Asian	20	21,795,000	1.25%
Badge	1	400	0.00%
Decorative	6	1,251,500	0.07%
Easter Island	1	250,000	0.01%
Egyptian	4	2,355,000	0.14%
Fine Art	483	1,645,631,950	94.45%
Furniture	9	6,124,000	0.35%
Greco-Roman	5	6,920,000	0.40%
Islamic	4	-	0.00%
Native American	6	535,000	0.03%
Pre-Columbian	2	125,000	0.01%
Silver	15	9,650,000	0.55%
Tapestry	4	1,000,000	0.06%
Grand Total	582	1,742,245,750	100.00%

WINSTON REPORT'S TOP 15 WORKS BY VALUE


Winston OBS	Artist	Title	Winston Values
390	Vincent Willem van Gogh	Portrait of Postman Roulin	100,000,000
37	Michelangelo Merisi da Caravaggio	Martha and Mary Magdalene	50,000,000
230	Henri Matisse	Coffee	50,000,000
281	Pablo Picasso	Melancholy Woman	50,000,000
389	Vincent Willem van Gogh	Bank of the Oise at Auvers	40,000,000
322	Mark Rothko	Orange, Brown	40,000,000
318	Auguste Rodin	The Thinker	35,000,000
465	Andy Warhol	Self Portrait: Former Double Self Po	30,000,000
162	Alberto Giacometti	Standing Woman II	30,000,000
283	Pablo Picasso	Woman Seated in an Armchair	30,000,000
9	Francis Bacon	Study for Crouching Nude	28,000,000
50	Paul Cezanne	Madame Cezanne	25,000,000
391	Vincent Willem van Gogh	The Diggers	25,000,000
369	Clyfford Still	Untitled 1951-T, No. 2	22,000,000
224	Franz Marc	Animals in a Landscape	22,000,000

IV. OVERVIEW OF THIRD-PARTY VALUATIONS


OVERVIEW OF VALUATION BY NUMBER OF ITEMS

DIA Insurance Value Buckets	DIA's # of Items	Artvest's # of Items	Christie's # of Items	VWA's # of Items	Winston's # of Items
a. >= 50M	10	7	3	10	7
b. >= 25M, < 50M	18	17	1	16	17
c. >= 10M, < 25M	53	50	3	42	51
d. >= 5M, < 10M	55	39	13	32	39
e. >= 2M, < 5M	125	106	18	57	105
f. >= 750K, < 2M	275	130	29	61	148
g. >= 500K, < 750K	157		10	11	12
h. >= 100K, < 500K	1,433		55	51	64
i. >= 2.5K, < 100K	5,970		127	32	52
j. < 2.5K	9,082		56	5	6
No DIA insurance and no valuation by any party	42,854				3
No DIA insurance and valuation by at least one party	193		130	70	78
Grand Total	60,225	349	445	387	582

OVERVIEW OF TOTAL VALUATION BY AVERAGE VALUE

DIA Insurance Value Buckets	 DIA's Insurance Value	Artvest's Average Value	Christie's Average Value	VWA's Average Value	Winston's Average Value
a. >= 50M	635,000,000	338,000,000	335,000,000	865,000,000	245,000,000
b. >= 25M, < 50M	579,000,000	360,125,000	60,000,000	575,000,000	280,250,000
c. >= 10M, < 25M	739,000,000	446,900,000	42,250,000	850,350,000	467,775,000
d. >= 5M, < 10M	335,000,000	298,625,000	47,740,000	356,000,000	162,650,000
e. >= 2M, < 5M	352,800,000	315,430,000	78,950,000	510,750,000	314,255,000
f. >= 750K, < 2M	286,060,000	170,640,000	35,455,000	270,489,000	211,430,000
g. >= 500K, < 750K	88,298,702		3,110,000	12,019,000	5,670,000
h. >= 100K, < 500K	192,488,232		18,436,500	97,308,750	47,428,770
i. >= 2.5K, < 100K	105,254,838		23,315,150	13,047,500	3,574,030
j. < 2.5K	5,026,605		1,971,625	77,750	42,750
No DIA insurance and no valuation by any party	0				0
No DIA insurance and valuation by at least one party	0		9,851,750	16,319,750	4,170,200
Grand Total	3,317,928,376	1,929,720,000	656,080,025	3,566,361,750	1,742,245,750

OVERVIEW OF THIRD-PARTY VALUATION

DIA Insurance Value Buckets	 # of Units that were valued by third parties	Average Value of VWA and if not available, average value of independent third parties
a. >= 50M	10	865,000,000
b. >= 25M, < 50M	18	577,937,500
c. >= 10M, < 25M	52	874,000,000
d. >= 5M, < 10M	51	401,715,000
e. >= 2M, < 5M	123	608,440,000
f. >= 750K, < 2M	173	360,911,500
g. >= 500K, < 750K	23	15,404,000
h. >= 100K, < 500K	120	115,663,520
i. >= 2.5K, < 100K	165	33,299,680
j. < 2.5K	55	2,052,375
No DIA insurance and valuation by at least one party	193	23,308,500
Grand Total	983	3,877,732,075


OVERVIEW OF THIRD PARTY VALUATION (EXPANDED)

DIA Insurance Value Buckets	# of Units valued		# of Units that	Total Average Value of VWA	Total Average	Total Average
	# of Units valued by VWA	by Independent third parties	were value by VWA or Independent		Value of Independent third parties	Value of VWA or Independent third parties
a. >= 50M	10		10	865,000,000		865,000,000
b. >= 25M, < 50M	16	2	18	575,000,000	2,937,500	577,937,500
c. >= 10M, < 25M	42	10	52	850,350,000	23,650,000	874,000,000
d. >= 5M, < 10M	32	19	51	356,000,000	45,715,000	401,715,000
e. >= 2M, < 5M	57	66	123	510,750,000	97,690,000	608,440,000
f. >= 750K, < 2M	61	112	173	270,489,000	90,422,500	360,911,500
g. >= 500K, < 750K	11	12	23	12,019,000	3,385,000	15,404,000
h. >= 100K, < 500K	51	69	120	97,308,750	18,354,770	115,663,520
i. >= 2.5K, < 100K	32	133	165	13,047,500	20,252,180	33,299,680
j. < 2.5K	5	50	55	77,750	1,974,625	2,052,375
No DIA insurance and valuation by at least one party	70	123	193	16,319,750	6,988,750	23,308,500
Grand Total	387	596	983	3,566,361,750	311,370,325	3,877,732,075


Attachment L

Step 3 Attachment


OVERVIEW OF AGE OF DIA INSURANCE VALUE FOR ENTIRE COLLECTION

DIA Insurance Value Buckets	 DIA's # of Items	DIA's Insurance Value	Weighted Average Age
a. >= 50M	10	635,000,000	5.5 yrs
b. >= 25M, < 50M	18	579,000,000	3.9 yrs
c. >= 10M, < 25M	53	739,000,000	4.9 yrs
d. >= 5M, < 10M	55	335,000,000	6.4 yrs
e. >= 2M, < 5M	125	352,800,000	10.4 yrs
f. >= 750K, < 2M	275	286,060,000	10.4 yrs
g. >= 500K, < 750K	157	88,298,702	12.0 yrs
h. >= 100K, < 500K	1,433	192,488,232	13.2 yrs
i. >= 2.5K, < 100K	5,970	105,254,838	14.7 yrs
j. < 2.5K	9,082	5,026,605	15.3 yrs
No DIA insurance and no valuation by any party	42,854	0	
No DIA insurance and valuation by at least one party	193	0	
Grand Total	60,225	3,317,928,376	7.1 yrs


OVERVIEW OF AGE OF DIA INSURANCE VALUE FOR THOSE WORKS THAT HAVE DIA INSURANCE VALUES AND NO THIRD-PARTY VALUES

DIA Insurance Value Buckets	 # of Units valued by DIA Insurance only	Sum of Average DIA Insurance Value	Weighted Average Age
c. >= 10M, < 25M	1	10,000,000	17.8 yrs
d. >= 5M, < 10M	4	24,000,000	14.3 yrs
e. >= 2M, < 5M	2	5,000,000	8.0 yrs
f. >= 750K, < 2M	102	82,230,000	10.6 yrs
g. >= 500K, < 750K	134	75,423,702	12.0 yrs
h. >= 100K, < 500K	1,313	167,760,232	13.2 yrs
i. >= 2.5K, < 100K	5,805	99,072,904	14.6 yrs
j. < 2.5K	9,027	4,962,700	15.3 yrs
Grand Total	16,388	468,449,537	13.0 yrs

COMPARISON OF DIA INSURANCE VALUE AND VWA VALUE

DIA Insurance Value Buckets	 DIA's # of Items	DIA's Insurance Value	Weighted Average Age	VWA's Average Value	Annualized % Increase
a. >= 50M	10	635,000,000	5.5 yrs	865,000,000	6.6%
b. >= 25M, < 50M	16	510,000,000	3.9 yrs	575,000,000	3.3%
c. >= 10M, < 25M	42	605,000,000	4.8 yrs	850,350,000	8.4%
d. >= 5M, < 10M	32	196,000,000	7.3 yrs	356,000,000	11.1%
e. >= 2M, < 5M	57	166,500,000	12.1 yrs	510,750,000	17.1%
f. >= 750K, < 2M	61	70,050,000	11.7 yrs	270,489,000	24.5%
g. >= 500K, < 750K	11	6,175,000	12.2 yrs	12,019,000	7.8%
h. >= 100K, < 500K	51	10,848,000	15.0 yrs	97,308,750	53.2%
i. >= 2.5K, < 100K	32	1,234,234	16.6 yrs	13,047,500	57.6%
j. < 2.5K	5	4,605	16.5 yrs	77,750	96.3%
No DIA insurance and valuation by at least one party	70	0		16,319,750	
Grand Total	387	2,200,811,839	5.9 yrs	3,566,361,750	10.5%

PROJECTED CURRENT MARKET VALUE OF DIA INSURANCE VALUE NOT COVERED BY THIRD PARTY VALUES

DIA Insurance Value Buckets	 # of Units valued by DIA Insurance only	Initial Sum of Average DIA Insurance Value	Market Appreciation Rate	Projected Sum of Average DIA Insurance Value
c. >= 10M, < 25M	1	10,000,000	62.0%	16,200,000
d. >= 5M, < 10M	4	24,000,000	62.0%	38,880,000
e. >= 2M, < 5M	2	5,000,000	62.0%	8,100,000
f. >= 750K, < 2M	102	82,230,000	62.0%	133,212,600
g. >= 500K, < 750K	134	75,423,702	62.0%	122,186,397
h. >= 100K, < 500K	1,313	167,760,232	62.0%	271,771,575
i. >= 2.5K, < 100K	5,805	99,072,904	62.0%	160,498,104
j. < 2.5K	9,027	4,962,700	62.0%	8,039,573
Grand Total	16,388	468,449,537	62.0%	758,888,249

Attachment M

Step 4 Attachment

Cat.	Department	Avg Price	Africa, Oceania & Indigenous Americas	American Art before 1950 & African American Art	Ancient Near Eastern & Greco- Roman & Ancient European	Asian & Islamic Art	Contemporary Art after 1950	European Modern Art to 1950	European Painting	European Sculpture and Dec Arts	Prints, Drawings & Photographs, Performing Art, & Textiles	TOTAL PORTFOLIO VALUE (ex. High Value Arts)
			5,632	1,566	1,679	6,877	1,023	253	95	4,962	20,767	42,854
	% Premium and/or Discount		0.0%	0.0%	25.0%	15.0%	15.0%	15.0%	10.0%	15.0%	(10.0%)	
1	19th Century European	110,904							3,863,140			3,863,140
2	American Art	464,418		363,639,547								363,639,547
3	Antiquities	80,049			168,003,344							168,003,344
4	Arms & Armor	8,166								7,766,225		7,766,225
5	Asian Art (MIX)	77,216				122,132,628						122,132,628
6	Asian Contemporary	420,795					165,014,781					165,014,781
7	Chinese Paintings	196,647				311,038,220						311,038,220
8	Chinese WOA	179,882				284,521,390						284,521,390
9	Decorative Arts	15,811								15,036,800		15,036,800
10	European Interiors	32,291								30,710,284		30,710,284
11	European WOA	61,556								58,543,166		58,543,166
12	Japanese WOA	33,035				52,252,107						52,252,107
13	Latin American	185,579		145,308,679								145,308,679
14	Judaica	36,054								34,288,815		34,288,815
15	Modern & Imp	599,703						174,483,480				174,483,480
16	Native American	31,113	87,612,909									87,612,909
17	Oceanic	136,072	383,177,943									383,177,943
18	Old Masters	294,186							10, 247,492			10,247,492
19	Photographs	46,262									432,328,608	432,328,608
20	Post war	562,196					220,465,012					220,465,012
21	Prints	30,857									288,359,796	288,359,796
22	Russian Art	160,601							5,594,285			5,594,285
23	Silver	22,033								20,954,154		20,954,154
24	South Asian Contemporary	122,804					48,157,630					48,157,630
25	Southeast Asian	50,016				79,111,593						79,111,593
	TOTAL		470,790,851	508,948,226	168,003,344	849,055,938	433,637,424	174,483,480	19,704,918	167,299,444	720,688,404	3,512,612,030

- Average price per department was calculated based on Christie's and Sotheby's 2013 sales figures as detailed in Exhibit E of the Artvest report;
- These prices were then applied linearly across the applicable DIA departments using averages for instances where multiple departments overlap;
- The table above illustrates this methodology and resulting compilation in the form of a pricing matrix;
- For the category of Prints, Drawings, and Photographs: Apply 10% discount to account for works by less collected artists, which may be offset by a number of works by extremely well-known and highly collected artists
- Supplements have been applied to the categories:
 - Ancient Near Eastern & Greco-Roman & Ancient European (25%): because of the verifiable provenance and the fact that in most cases the objects entered the museum prior to the UNESCO Convention on Cultural Property of 1970
 - Asian & Islamic Art (15%): because of the strong market interest in this category
 - Contemporary Art after 1950 (15%): because of the strong market interest in this category; however, the supplement has been kept low to be conservative
 - European Modern Art to 1950 (15%): because this market is very selective, and because of the strength of DIA's holdings in this category; this is conservative
 - European Painting (10%): because most of the paintings in this category have been valued individually and the remaining paintings are less important and, as such, we have ascribed a conservative supplement
 - European Sculpture and Decorative Art (15%): this is a conservative supplement because of the large variety of objects within this sector

Exhibit G

1 UNITED STATES BANKRUPTCY COURT
2 EASTERN DISTRICT OF MICHIGAN
3 SOUTHERN DIVISION

4 In re:)
5 CITY OF DETROIT, MICHIGAN,)
6 Debtor.) Chapter 9
7 vs.) Case No. 13-53846
8 -----) Hon. Steven W. Rhodes

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13 VIDEOTAPED DEPOSITION OF VICTOR WIENER

14 New York, New York

15 Monday, August 4, 2014
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24 Reported by:
MICHELLE COX
25 JOB NO.: 215823

<p style="text-align: right;">Page 26</p> <p>1 Q So you mean fingers in the air is people 2 raising their fingers into the air an pulling 3 appraisals values for? 4 A I think it was worth this. 5 Q You mean people raise their fingers, give 6 you an opinion of value and you take the 7 consensus of that value? 8 A No. I say people raise their finger and 9 give a value. I didn't say anything about 10 consensus. 11 Q How frequently do people utilize that 12 methodology? 13 A Frequently. 14 Q So it's standard in the industry for 15 people to use the fingers-in-the-air method to 16 come up with a value for a work of art? 17 A What industry are you referring to? 18 Q The valuation industry. 19 A I would consider it to be a profession. 20 Q Okay. In the profession? 21 A It is not appropriate standards, in my 22 opinion. 23 Q So why do you refer to it as a methodology 24 and indicate that many people in the profession 25 utilize it?</p>	<p style="text-align: right;">Page 28</p> <p>1 in the grid, it was determined this is the 2 value of the whole would be. 3 Q And is the French grid system ever used to 4 value a collection of arts by taking the value 5 of a chunk of the collection and extrapolating 6 the full value from that chunk? 7 A The French grid system is generally 8 applied to specific works of art and not a 9 whole collection. 10 Q Why not? 11 A It's common usage within those who apply 12 it to apply it that way. 13 Q Let's look at the second page of 14 Deposition Exhibit 2 marked FGIC Wiener 000002. 15 There's a section entitled "Suggested Steps to 16 be Taken." 17 Do you see that? 18 A That is correct. 19 Q And under that "Suggested Steps to be 20 Taken" item you list suggested steps that you 21 suggest that should be taken in valuing the DIA 22 collection; is that right? 23 A That's correct. 24 Q Did you utilize this methodology that you 25 indicate on this page of Exhibit 2 before, in</p>
<p style="text-align: right;">Page 27</p> <p>1 MR. PEREZ: Object to the form of the 2 question. Assumes facts not in evidence. 3 BY MR. ABEL: 4 Q Who uses the fingers-in-the-air 5 methodology? 6 A Primarily auction houses. 7 Q How many auction houses are there? 8 A There are numerous auction houses. 9 Q And how many people in those auction 10 houses use the fingers-in-the-air methodology 11 to value art? 12 A Hundreds, if not thousands. 13 Q Is that the methodology used by Christie's 14 and Sotheby's? 15 A In many cases, I believe so. 16 Q Have you ever heard of a methodology for 17 valuing art called the "French grid system"? 18 A I have. 19 Q And what is that? 20 A The French grid system is a method that 21 was in favor, at one point or another, in which 22 a small section of a work of art was -- well, a 23 work of art was divided into sections, 24 literally a small section was valued in a 25 certain way, and then by mathematical extension</p>	<p style="text-align: right;">Page 29</p> <p>1 valuing an art collection? 2 A In valuing? 3 Q An art collection? 4 A An art collection? 5 Q Yes. 6 A Have I -- I don't understand the question. 7 Q Let me rephrase. 8 Have you ever used these steps that you 9 detail on the second page of Exhibit 2 in 10 valuing an art collection before? 11 A Can you repeat the question? 12 Q Sure. 13 Have you ever used these steps that you 14 detail on Page 2 of Exhibit 2 in valuing an art 15 collection before? 16 A I have. 17 Q How frequently? 18 A When one has to value an extremely large 19 collection of works of art. 20 Q And how frequently have you valued an 21 extremely large collection of art before? 22 A I've think one or two or three times. 23 Q Well, let's be exact. 24 A One very recently, and I believe in the 25 past we've used it as well.</p>

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<p style="text-align: right;">Page 30</p> <p>1 Q And when you say "one very recently," are</p> <p>2 you referring to the DIA collection?</p> <p>3 A No.</p> <p>4 Q What collection are you referring to?</p> <p>5 A I cannot tell you. That would be</p> <p>6 violating confidentiality.</p> <p>7 Q Did you have a confidentiality agreement</p> <p>8 with the client in that case?</p> <p>9 A I did.</p> <p>10 Q And when did that take place?</p> <p>11 A The valuation took place last year.</p> <p>12 Q And what was the type of art involved?</p> <p>13 A Fine art.</p> <p>14 Q Any specific type of fine art?</p> <p>15 A What do you mean by "specific type"?</p> <p>16 Q Sure.</p> <p>17 Are we talking about contemporary art, Old</p> <p>18 Masters, any more specificity you can provide</p> <p>19 on that case?</p> <p>20 A Contemporary art.</p> <p>21 Q Sorry?</p> <p>22 A Contemporary art.</p> <p>23 Q Contemporary art.</p> <p>24 And we're talking about paintings versus</p> <p>25 sculptures or decorative art?</p>	<p style="text-align: right;">Page 32</p> <p>1 Second paragraph you wrote: "Recently we</p> <p>2 appraised for state tax purposes the enormous</p> <p>3 and varied collection of an extremely famous</p> <p>4 American artist. At this moment I'm not at</p> <p>5 liberty to mention the name of the artist. The</p> <p>6 inventory consists of approximately 20,000</p> <p>7 objects."</p> <p>8 Is that right?</p> <p>9 A That's correct.</p> <p>10 Q Is that the project you were just</p> <p>11 referring to?</p> <p>12 A Yes, it is.</p> <p>13 Q And you performed that appraisal for</p> <p>14 estate tax purposes, correct?</p> <p>15 A I did.</p> <p>16 Q So you weren't asked to determine what the</p> <p>17 collection would achieve in terms of actual</p> <p>18 dollars to the owner of the collection if it</p> <p>19 was sold?</p> <p>20 A That's not true.</p> <p>21 Q What -- do you understand if I ask you the</p> <p>22 question -- sorry, let me take a step back.</p> <p>23 Have you ever heard of the term</p> <p>24 "definition of value before"?</p> <p>25 A Yes.</p>
<p style="text-align: right;">Page 31</p> <p>1 A We're talking about two dimensional art.</p> <p>2 Q And what was the size of that collection?</p> <p>3 A What do you mean by "size"?</p> <p>4 Q Volume of works.</p> <p>5 A About 20,000.</p> <p>6 Q And what was your ultimate value</p> <p>7 conclusion for those 20,000 pieces?</p> <p>8 A Is the question what value did I conclude?</p> <p>9 Q Yes.</p> <p>10 A I can't tell you that.</p> <p>11 Q Can you give me a ballpark?</p> <p>12 Was it over a billion dollar?</p> <p>13 MR. PEREZ: If he can't tell you, he can't</p> <p>14 tell you.</p> <p>15 A It's a possible violation of my</p> <p>16 confidentiality agreement.</p> <p>17 BY MR. ABEL:</p> <p>18 Q And you said you used this methodology</p> <p>19 detailed on Page 2 of Exhibit 2 to perform that</p> <p>20 valuation of the 20,000 works?</p> <p>21 A I did.</p> <p>22 Q Let's look at the next page of Deposition</p> <p>23 Exhibit 2.</p> <p>24 A Is that Page 3?</p> <p>25 Q Yes.</p>	<p style="text-align: right;">Page 33</p> <p>1 Q And what do you understand definition of</p> <p>2 value to mean?</p> <p>3 A Exactly what the term says, the value</p> <p>4 being used is defined.</p> <p>5 Q And what definition of value did you</p> <p>6 utilize in that estate tax purpose appraisal?</p> <p>7 A Fair market value.</p> <p>8 Q You didn't use marketable cash value?</p> <p>9 A I did not.</p> <p>10 Q And you had two months to perform that</p> <p>11 appraisal of the 20,000 objects; is that right?</p> <p>12 A Slightly under.</p> <p>13 Q How much under?</p> <p>14 A I would say more like six or eight -- six</p> <p>15 to eight weeks.</p> <p>16 Q And was the collection by the American</p> <p>17 artist a collection of pieces that the artist</p> <p>18 himself or herself generated or was that artist</p> <p>19 collecting other people's work?</p> <p>20 A It was a collection of both.</p> <p>21 Q And what portion of the collection</p> <p>22 belonged to that -- sorry. Let me strike that.</p> <p>23 What portion of that collection was</p> <p>24 generated by that artist as opposed to</p> <p>25 collected by the artist?</p>

<p style="text-align: right;">Page 34</p> <p>1 A A significant portion.</p> <p>2 Q Over 50 percent?</p> <p>3 A I really think that by saying that I may</p> <p>4 violate my confidentiality agreement.</p> <p>5 Q Did you provide a copy of that appraisal</p> <p>6 to the IRS?</p> <p>7 A Presumably the client did.</p> <p>8 Q So you don't know -- do you know whether</p> <p>9 the IRS approved your appraisal?</p> <p>10 A We -- I've heard from the client that</p> <p>11 there's been absolutely, what shall we say, no</p> <p>12 objection from the IRS.</p> <p>13 Q So let's go back to my question.</p> <p>14 Do you know if the IRS has approved your</p> <p>15 appraisal?</p> <p>16 A The IRS, I don't think, sends out letters</p> <p>17 of approval.</p> <p>18 Q Let me go back to my question: Do you</p> <p>19 know whether or not the IRS approved your</p> <p>20 appraisal?</p> <p>21 A And my answer is, no.</p> <p>22 Q Did you use the methodology detailed on</p> <p>23 Page 2 of Exhibit 2 to value the DIA</p> <p>24 collection?</p> <p>25 A I'm sorry. We're going back to Page 2?</p>	<p style="text-align: right;">Page 36</p> <p>1 A We followed that fairly closely.</p> <p>2 Q Am I correct that you had four different</p> <p>3 steps in your methodology for valuing the DIA</p> <p>4 collection?</p> <p>5 A I had four different steps -- the answer</p> <p>6 to your question is no.</p> <p>7 Q If you look at your report, am I correct</p> <p>8 that you detail four steps for valuing the DIA</p> <p>9 collection?</p> <p>10 A Well, if I could look at my report I could</p> <p>11 answer the question properly.</p> <p>12 (Deposition Exhibit 3, Expert Report,</p> <p>13 marked for identification as of this date.)</p> <p>14 BY MR. ABEL:</p> <p>15 Q I'm showing you a document that's been</p> <p>16 marked Deposition Exhibit 5.</p> <p>17 Is this your report in this matter?</p> <p>18 A It's marked Deposition Exhibit 3, I</p> <p>19 believe.</p> <p>20 Q Sorry. Deposition Exhibit 3, you're</p> <p>21 correct.</p> <p>22 Is that your report in this matter?</p> <p>23 A Well, without checking every page, I can</p> <p>24 say that it appears to be my report.</p> <p>25 Q Take a look at Page 49 of Exhibit 3.</p>
<p style="text-align: right;">Page 35</p> <p>1 Q Yes.</p> <p>2 A And what was your question?</p> <p>3 Q Sure.</p> <p>4 Did you used this methodology that you say</p> <p>5 you utilized to value the 20,000 works in this</p> <p>6 undisclosed appraisal to value the DIA</p> <p>7 collection?</p> <p>8 A In part, yes.</p> <p>9 Q And what parts did you use?</p> <p>10 A We -- shall we go back step by step?</p> <p>11 Q Sure.</p> <p>12 A Okay. Each category should be divided</p> <p>13 into groupings, we did.</p> <p>14 Q And how did you divide the DIA collection</p> <p>15 into groupings?</p> <p>16 A We basically worked with the groupings</p> <p>17 that the DIA used in its cataloging.</p> <p>18 Q You mean groupings by type of art?</p> <p>19 A Correct.</p> <p>20 Q Okay. Not groupings by value of art?</p> <p>21 A Within those groupings we also did</p> <p>22 subdivisions with a value of art, yes.</p> <p>23 Q And how did you utilize the Step 2</p> <p>24 detailed in Page 2 of Exhibit 2 to value the</p> <p>25 DIA collection?</p>	<p style="text-align: right;">Page 37</p> <p>1 My question for you is: Is that your</p> <p>2 signature at the bottom of Page 49?</p> <p>3 A That is my signature.</p> <p>4 Q I think I misspoke earlier. Maybe that's</p> <p>5 why you're correcting me.</p> <p>6 If you look at Page 3 of Exhibit 3, it</p> <p>7 details five steps to your methodology; is that</p> <p>8 right?</p> <p>9 A Yes, there are five steps labeled.</p> <p>10 Q Okay. And so my question for you is,</p> <p>11 looking back at Exhibit 2, any suggested steps</p> <p>12 to be taken, specifically the Paragraph 2, that</p> <p>13 starts off by saying, "Appropriate comparables</p> <p>14 for each group should be identified."</p> <p>15 What step in your report does Step 2 in</p> <p>16 your proposal correspond with?</p> <p>17 A Step 1.</p> <p>18 Q Does it correspond to any of the other</p> <p>19 steps in your report?</p> <p>20 MR. PEREZ: Object to the form of the</p> <p>21 question.</p> <p>22 BY MR. ABEL:</p> <p>23 Q You can answer.</p> <p>24 A Sure. I'm just looking at the report.</p> <p>25 It corresponds to portions of Step 3 and</p>

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<p style="text-align: right;">Page 118</p> <p>1 A I did.</p> <p>2 Q So how were you convinced that a loan was</p> <p>3 a viable plan for the DIA collection if you</p> <p>4 lack the experience necessary to form that</p> <p>5 opinion?</p> <p>6 A Because that's the way it was presented to</p> <p>7 me by Mr. Peck, and that it was written in the</p> <p>8 Houlihan Lokey report that -- or catalog, as it</p> <p>9 stated, that it was included as a possible</p> <p>10 option.</p> <p>11 Q And because that Mr. Peck and Houlihan</p> <p>12 Lokey identified that as an option, you were</p> <p>13 convinced that it was a viable plan for the DIA</p> <p>14 collection?</p> <p>15 A I believed it would be a viable plan.</p> <p>16 Q Have you ever served as broker with regard</p> <p>17 to loans with regard to art?</p> <p>18 A As a broker?</p> <p>19 Q Yes.</p> <p>20 A No.</p> <p>21 Q Have you ever advised a client to get a</p> <p>22 loan secured by art in any capacity?</p> <p>23 A I worked for lending institutions.</p> <p>24 Q Which lending institutions?</p> <p>25 THE WITNESS: Can I reveal that without</p>	<p style="text-align: right;">Page 120</p> <p>1 A Possibly 15 or 20 percent. I would have</p> <p>2 to review our records.</p> <p>3 Q Do you know what percentage of revenue</p> <p>4 that work related to for the VWA?</p> <p>5 A I would -- you mean the billing --</p> <p>6 Q Yes.</p> <p>7 A -- is that correct?</p> <p>8 No, I haven't done any analysis as far as</p> <p>9 billing, as far as revenue sources go.</p> <p>10 Q Do you know on what terms a loan was</p> <p>11 offered with regard to the DIA collection?</p> <p>12 A I have no idea.</p> <p>13 Q Do you know what the ability of the DIA or</p> <p>14 the City of Detroit would be to service that</p> <p>15 loan?</p> <p>16 A I do not.</p> <p>17 Q Do you know how the DIA would get money to</p> <p>18 service that loan?</p> <p>19 A I do not.</p> <p>20 Q Did you do any analysis to determine how</p> <p>21 the DIA could potentially pay off any loan from</p> <p>22 ACG?</p> <p>23 A I did not.</p> <p>24 Q So how were you convinced that it was a</p> <p>25 good idea for the DIA to, or the City of</p>
<p style="text-align: right;">Page 119</p> <p>1 breaching confidentiality?</p> <p>2 MR. PEREZ: Is there a confidentiality</p> <p>3 agreement in place?</p> <p>4 THE WITNESS: There are confidentiality</p> <p>5 agreements in place with every lending</p> <p>6 institution that I work with.</p> <p>7 BY MR. ABEL:</p> <p>8 Q Well, how many different lending</p> <p>9 institutions do you work with in conjunction</p> <p>10 with valuing art to secure loans?</p> <p>11 A I think about five or six.</p> <p>12 Q An dhow many different engagements have</p> <p>13 you been involved in to -- on behalf of lending</p> <p>14 agencies to determine the value of art in</p> <p>15 conjunction with a loan?</p> <p>16 A Numerous.</p> <p>17 Q How many, approximately?</p> <p>18 A Twenty, maybe more.</p> <p>19 Q What percentage of your practice at VWA is</p> <p>20 done in conjunction with providing consulting</p> <p>21 services to lending companies?</p> <p>22 A It varies from year to year, so . . .</p> <p>23 Q Well, last year, what percentage of your</p> <p>24 work at VWA was done in conjunction with</p> <p>25 lending agencies?</p>	<p style="text-align: right;">Page 121</p> <p>1 Detroit to borrow money secured by the DIA</p> <p>2 collection?</p> <p>3 A I, as I've testified, I saw -- I believed</p> <p>4 it was a viable option since it was included in</p> <p>5 the Houlihan Lokey report, and then from</p> <p>6 representations made to me by Mr. Peck.</p> <p>7 Q You understand that in any loan situation</p> <p>8 there's a possibility for default?</p> <p>9 A I do.</p> <p>10 Q Did you ever take into consideration how</p> <p>11 likely it would be that the City of Detroit</p> <p>12 would default on the loan and the DIA</p> <p>13 collection would be forcibly sold in that</p> <p>14 context?</p> <p>15 A I did not.</p> <p>16 Q Did that play any role in your decision to</p> <p>17 take on the assignment in this case?</p> <p>18 A Did what play?</p> <p>19 Q The possibility that there could be a</p> <p>20 foreclosure and forced sale of the DIA</p> <p>21 collection.</p> <p>22 A In any loan situation there is the</p> <p>23 possibility of foreclosure. It's inherent to</p> <p>24 the assignment, of any loan assignment.</p> <p>25 Q And what happens in the context of a</p>

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<p style="text-align: right;">Page 178</p> <p>1 Q The sale of the DIA collection would be 2 unique, in your opinion? 3 A In that context, yes. 4 Q Am I correct that there are different 5 kinds of arts at the DIA? 6 A There are. 7 Q It's a mixed collection? 8 A There are. 9 Q Do you know whether all the works of the 10 DIA were of the same quality? 11 A Is the question: Am I aware whether the 12 works collected by the DIA are all uniformly of 13 the same quality? 14 Q Yes. 15 A And the answer is, they are not. 16 Q The DIA collection has uneven quality, 17 correct? 18 A It has a varied quality. I don't know if 19 I'd use the word "uneven." 20 Q Before the bankruptcy of the City of 21 Detroit and the contemplated liquidation of the 22 DIA collection, are you aware of a liquidation 23 of such a collection ever being considered in 24 any treatise or publication? 25 MR. PEREZ: Object to the form of the</p>	<p style="text-align: right;">Page 180</p> <p>1 A I am not. 2 Q What's the largest collection you've ever 3 appraised by value? 4 A About \$300 million. 5 Q And how many works of art comprised that 6 collection? 7 A That one, 20,000. 8 Q And what was the second largest collection 9 you've ever valued by volume? 10 MR. PEREZ: Object to the form of the 11 question. Assumes facts not in evidence. 12 A I think we're now in the process of 13 appraising a collection that is maybe 15, 14 19,000 works of art. 15 BY MR. ABEL: 16 Q And how long have you spent on that 17 engagement? 18 A Well, it's something that is being done 19 over time. So we've been spending about, on 20 and off, for various reasons, about four 21 months. 22 Q And how long do you expect to take on that 23 engagement? 24 A That depends on a variety of factors. 25 Q What factors?</p>
<p style="text-align: right;">Page 179</p> <p>1 question. Assumes facts not in evidence. 2 A I'm not quite sure. It's a composite 3 question anyway. 4 What exactly is the question? I'm not 5 sure. 6 BY MR. ABEL: 7 Q Sure. 8 Are you aware of any treatises or 9 publications that contemplate the methodology 10 to be used in the liquidation of a collection 11 the size of the DIA's? 12 A I'm not aware of any. 13 Q Are you aware of any discussions or 14 courses in which the liquidation of a DIA 15 collection was at issue? 16 MR. PEREZ: Object to the form of the 17 question. 18 BY MR. ABEL: 19 Q Let me take a step back. Let me rephrase. 20 Are you aware of any courses or panel 21 discussions where the orderly liquidation of 22 the DIA collection was at issue? 23 A You're talking about something in an 24 academic setting? 25 Q Yes.</p>	<p style="text-align: right;">Page 181</p> <p>1 A Availability of the art; groupings of the 2 art; and other factors that I can't determine 3 at this particular point. 4 Q What kind of valuation are you performing 5 for that 15 to 19,000 piece collection? 6 A The value will be most likely fair market 7 value. 8 Q And why fair market value as opposed to 9 marketable cash value? 10 A Again, I really feel uncomfortable for a 11 variety of reasons talking about the valuation 12 specifics of this collection. And, indeed, it 13 is subject to strict confidentiality with the 14 client. 15 Q Did you use the same methodology you 16 utilized with regard to the valuation of the 17 DIA collection for that -- to value that 18 collection 15 to 19,000 items? 19 A It's an ongoing situation, and again I 20 feel compelled not to answer, due to the 21 confidentiality agreement. 22 Q Prior to this engagement and the Hurst 23 engagement, have you ever performed any work 24 for ACG or Ian Peck? 25 MR. PEREZ: Objection to the form of the</p>

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<p style="text-align: right;">Page 182</p> <p>1 question. Assumes facts not in evidence.</p> <p>2 A Directly?</p> <p>3 BY MR. ABEL:</p> <p>4 Q Well, have you ever been engaged by ACG or</p> <p>5 Ian Peck to perform an appraisal?</p> <p>6 A No.</p> <p>7 Prior to the two engagements you cited?</p> <p>8 Q Other than those two engagements, have you</p> <p>9 ever been engaged by ACG or Ian Peck to perform</p> <p>10 an appraisal?</p> <p>11 A I have not.</p> <p>12 Q Are you aware of ACG's reputation in the</p> <p>13 art industry?</p> <p>14 MR. PEREZ: Object to the form of the</p> <p>15 question.</p> <p>16 BY MR. ABEL:</p> <p>17 Q Well, let's take a step back.</p> <p>18 Does ACG have a reputation in the</p> <p>19 industry, that you're aware of?</p> <p>20 A Yes.</p> <p>21 Q And what is that reputation?</p> <p>22 A Very straightforward. Relatively good</p> <p>23 reputation.</p> <p>24 Q You believe that ACG is respected in the</p> <p>25 art industry?</p>	<p style="text-align: right;">Page 184</p> <p>1 A That is an auction house in China.</p> <p>2 Q Anything positive or negative about its</p> <p>3 reputation in the art market, that you're aware</p> <p>4 of?</p> <p>5 A Nothing of great substance. There have</p> <p>6 been some aspersions in the press which may or</p> <p>7 may not be true. But basically it has a</p> <p>8 reputation of being a venue of sale in China.</p> <p>9 Q Have you ever used the Poly International</p> <p>10 Auction?</p> <p>11 A I have not.</p> <p>12 Q Have you ever heard of Catalyst or Cat</p> <p>13 List Acquisition's LLC?</p> <p>14 A No, other than in the context of this</p> <p>15 report.</p> <p>16 Q You visited the DIA in April 2014; is that</p> <p>17 correct?</p> <p>18 A That is correct.</p> <p>19 Q Why?</p> <p>20 A Well, I was invited by the Chinese</p> <p>21 government to lecture in China. They were</p> <p>22 paying for my way. I wanted to fly on Delta</p> <p>23 Airlines. There was no direct flight from New</p> <p>24 York to Beijing. I had a choice of either</p> <p>25 flying to Nurato in Japan or flying through</p>
<p style="text-align: right;">Page 183</p> <p>1 A Definitely.</p> <p>2 Q Are you aware of any lawsuits involving</p> <p>3 ACG?</p> <p>4 A I am.</p> <p>5 Q What lawsuits were those?</p> <p>6 A I believe that there was -- well, I</p> <p>7 already testified that in the Hurst matter I</p> <p>8 was an expert witness in a lawsuit. And that I</p> <p>9 believe, I haven't examined in detail, there</p> <p>10 was a lawsuit involving the foreclosure of a</p> <p>11 loan to Annie Leibovitz, the photographer.</p> <p>12 Q You ever advised a client to get a loan</p> <p>13 from ACG or Ian Peck?</p> <p>14 A No.</p> <p>15 Q Do you know anything about ACG's lending</p> <p>16 practices, generally?</p> <p>17 A Not really.</p> <p>18 Q You ever heard of Poly International</p> <p>19 Auction?</p> <p>20 A Yes.</p> <p>21 Q Does it have a reputation in the art</p> <p>22 market?</p> <p>23 A I think it has a relatively new</p> <p>24 reputation.</p> <p>25 Q And what is that reputation?</p>	<p style="text-align: right;">Page 185</p> <p>1 Detroit. I thought this was a great</p> <p>2 opportunity to see the DIA, which I had never</p> <p>3 seen before, so I paid out of my own pocket an</p> <p>4 extra night in Detroit and spent a considerable</p> <p>5 amount of time at the DIA.</p> <p>6 Q How long did you spend there?</p> <p>7 A About eight hours.</p> <p>8 Q Did you talk to anyone at the DIA during</p> <p>9 that trip?</p> <p>10 A Other than the ticket taker in the garage,</p> <p>11 and the guards and the woman who sold me lunch,</p> <p>12 no.</p> <p>13 Q Did anyone else come with you on that trip</p> <p>14 to the DIA?</p> <p>15 A No, I was alone.</p> <p>16 Q Did you perform your appraisal in this</p> <p>17 case under what you believed to be highly</p> <p>18 limiting conditions?</p> <p>19 A I set forth in the appraisal report the</p> <p>20 limiting conditions. I did not use the word</p> <p>21 "highly limited."</p> <p>22 Q Let's take a look at your report.</p> <p>23 Exhibit 3, Page 18. In the middle of page, you</p> <p>24 see the paragraph that starts "By nature of the</p> <p>25 assignment"?</p>

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1 A Mm-hmm. I do. I'm sorry.
 2 Q It goes on to say "The VWA appraisal has
 3 set about to value of the entire collection of
 4 the DIA operating under highly limiting
 5 conditions."
 6 Do you see that?
 7 A Yes, I do.
 8 Q Would you agree that you performed your
 9 work appraising the DIA collection under highly
 10 limiting conditions?
 11 A In that sense, yes.
 12 Q You didn't review the artwork in person at
 13 the DIA except for your visit in April 2014?
 14 A Prior to the issuance of this report, no.
 15 Q After the issuance of the report did you
 16 visit the DIA?
 17 A I did.
 18 Q When was that?
 19 A A few days ago.
 20 Q And why did you visit the DIA?
 21 A Because I wanted to verify and bring with
 22 me those members of my team who are either
 23 associated with it or would be possibly
 24 associated with it in the future to review the
 25 collection.

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1 Q Why didn't you review the collection in
 2 person prior to your July 25, 2014 report?
 3 A We had an extremely limited amount of time
 4 to do this. I couldn't write the report, do
 5 the research and visit the DIA at the same
 6 time.
 7 Q You didn't visit -- you didn't decide it
 8 was necessary to visit the DIA between May and
 9 July of 2015 to see it in person?
 10 A Not for the purposes of issuing this
 11 report.
 12 Q Do you intend for your associates who you
 13 brought with you to the DIA for the visit,
 14 after your July 25th report to testify in this
 15 case?
 16 A No. That would be a decision of counsel.
 17 Q Do you understand that they will be
 18 testifying in this case?
 19 A I have no such understanding.
 20 Q Which associates did you bring with you to
 21 Detroit?
 22 A David Shapiro and another associate who is
 23 not mentioned in report named -- and I'll have
 24 to spell this for you.
 25 Frans, F-R-A-N-S. Pijnenburg,

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1 P-I-J-N-E-N-B-U-R-G.
 2 Q Am I correct that you refer to your report
 3 as preliminary?
 4 A You are correct.
 5 Q Does USPAP provide for the issuance of
 6 preliminary reports?
 7 A It does.
 8 Q What does it say about preliminary
 9 reports?
 10 A It doesn't define it as such. But the
 11 appraiser, as I testified already, is given a
 12 great deal of latitude in the appraisal report
 13 issuance process.
 14 Q Are there any opinions that you formed
 15 that are not contained in your report with
 16 regard to the DIA collection?
 17 A What type of opinions are you referring
 18 to?
 19 Q Have you formed any opinions with regard
 20 to the value of the DIA collection that aren't
 21 contained in your report?
 22 A The report contains all of our opinions of
 23 value as of this moment.
 24 Q Have you been asked to provide any other
 25 opinions in this case that aren't contained in

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1 your report?
 2 A No.
 3 Q Have you identified all the facts that you
 4 relied upon in your report?
 5 A In the -- yes.
 6 Q And have you identified all the documents
 7 that you relied upon in your report?
 8 A At the moment, yes.
 9 Q Have you done all the work that you
 10 believe is required to reach the opinions that
 11 you've expressed in your report?
 12 A I did.
 13 Q Are all the assumptions that you made in
 14 forming your opinions identified in your
 15 report?
 16 A Yes.
 17 MR. ABEL: Now is probably a good time to
 18 break for lunch.
 19 THE VIDEOGRAPHER: Go off the record. The
 20 time is 1:02.
 21 (Luncheon Recess: 1:02 p.m.)
 22 A F T E R N O O N S E S S I O N
 23 (Time noted: 1:39 p.m.)
 24 THE VIDEOGRAPHER: Go back on the record.
 25 The time is 1:39.

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<p style="text-align: right;">Page 190</p> <p>1 V I C T O R W I E N E R, resumed and 2 testified as follows: 3 EXAMINATION BY (Cont'd.) 4 MR. ABEL: 5 Q Good afternoon, Mr. Wiener, hope you had a 6 good lunch. 7 A Yes, thank you. 8 Q Am I correct that you worked on this 9 engagement with a team of people? 10 A You are correct. 11 Q And what was your role in that engagement? 12 A I was in charge of a team. 13 Q What does that mean? 14 A That means I selected the members of the 15 team. I reviewed all the work. I reviewed 16 their assignments. I discussed with them 17 aspects of the assignment. I accept full 18 responsibility for the appraisal report. 19 Q And what did you tell each member of the 20 team about what the assignment involved? 21 A I told the team members that we were -- 22 that they were to appraise selected works from 23 are the DIA collection, the valuation parameter 24 was marketable cash value. The -- we had a 25 limited amount of time in which to do it, so do</p>	<p style="text-align: right;">Page 192</p> <p>1 with accuracy, and that we would then be taking 2 average values. 3 Q And who came up with the idea for the 4 methodology detailed in Step 2? 5 A I think we -- it was -- of course, I had 6 the ultimate decision-making in it. But 7 basically the methodology was done in 8 consultation with Silar and with David Shapiro 9 and with Shaun Cooper. 10 Q Who came up with that idea for that 11 methodology originally? 12 A I think we discussed -- this came out of 13 consultation. All four of us sat down and 14 discussed how we would do -- how we would 15 handle it, possibly me. I don't think that 16 methodology has any "author" attached to it. 17 It's, again, a team effort, as I say 18 repeatedly in the report. 19 Q But you don't know who came up with the 20 idea? 21 A As I told you it was a team effort. I 22 don't know who uttered it the first time. 23 Q How about Step 3; who came up with the 24 methodology detailed in Step 3? 25 A Again, the answer is the same as before,</p>
<p style="text-align: right;">Page 191</p> <p>1 it as quickly as possible. 2 Q Did you talk to any of the team members 3 regarding the methodology that you would be 4 utilizing to determine the marketable cash 5 value for the DIA collection? 6 A All of my team members are extremely 7 experienced, and they all know what marketable 8 cash value means and they know how to apply it. 9 I don't think anyone had any questions 10 about that. 11 Q Let's break it down. 12 Did you talk to any of your team members 13 about the methodology under Step 2 of the 14 methodology indicated in your appraisal report? 15 A Hang on. 16 Yes. 17 Q Who did you talk to about the methodology 18 in Step 2? 19 A Primarily David Shapiro, and Shaun Cooper, 20 and Rob Leeds and his associates at Silar. 21 Q And what did you talk with them about that 22 Step 2 methodology? 23 A That we would be reviewing these works. 24 We couldn't appraise them individually, and 25 that they should be identified, put together</p>	<p style="text-align: right;">Page 193</p> <p>1 it was a team effort. We all came up with it. 2 The applications went to the technical people. 3 And but the methodology involved was certainly 4 my decision and the others, together, thinking 5 that this was an appropriate thing to do. 6 Q And did anyone on your team other than 7 David Shapiro -- who is Shaun? 8 A Cooper. 9 Q Shaun Cooper. 10 And who was the third person? 11 A Rob Leeds and his associates at Silar. 12 Q Did anyone except for David, Shaun and Rob 13 provide insight into the methodology in Step 3? 14 A In Step 3, not that I can recall. 15 Q What about Step 4, who came up with the 16 methodology in Step 4? 17 A That was primarily me, I think. But I 18 think, everybody is again -- I'm saying like a 19 broken record; everybody was part of the team 20 and we all discussed this. 21 Q Did anyone on your team ever criticize or 22 say we can't use Step 2, 3 or 4? 23 A Not that I recall. 24 Q What are David's Shapiro's qualifications 25 for doing a valuation of a 60,000 piece art</p>

<p style="text-align: right;">Page 194</p> <p>1 collection?</p> <p>2 A David Shapiro, as stated in the report, is</p> <p>3 an appraiser of various works of arts. He also</p> <p>4 is extremely knowledgeable about important</p> <p>5 museum pieces, since he has edited numerous</p> <p>6 textbooks concerning museum collections, and he</p> <p>7 has taught museum collections at various</p> <p>8 institutions of higher learning.</p> <p>9 Q What is the largest collection that</p> <p>10 David Shapiro has ever valued?</p> <p>11 A I think this is the largest.</p> <p>12 Q And after this collection, what's the</p> <p>13 second largest that he's ever valued?</p> <p>14 A Well, we're in the process of valuing</p> <p>15 another collection of about, I think 25,000</p> <p>16 works of art.</p> <p>17 Q Before this collection, what was the</p> <p>18 largest collection he's ever valued in terms of</p> <p>19 art?</p> <p>20 A He worked with us on a collection of</p> <p>21 20,000 works of art.</p> <p>22 Q And did he come up with the methodology</p> <p>23 there for the valuation?</p> <p>24 A No, the methodology was decided in</p> <p>25 consultation by me and the client and the --</p>	<p style="text-align: right;">Page 196</p> <p>1 With -- go back to your question.</p> <p>2 With every item in the DIA collection, are</p> <p>3 you referring to all 60,000 items?</p> <p>4 Q Yes.</p> <p>5 A The answer to that question is no.</p> <p>6 Q Did every member of the team come up with</p> <p>7 their own opinion of value as to the 387 units</p> <p>8 detailed in Step 1 of your valuation?</p> <p>9 A Various members of the team came up with</p> <p>10 preliminary values, preliminary ideas, which</p> <p>11 was then reviewed by the team.</p> <p>12 Q Did they present those ideas in writing?</p> <p>13 A Some did; some didn't.</p> <p>14 Q And for those that didn't, did you do</p> <p>15 anything to determine whether or not the</p> <p>16 information they were relying upon to form</p> <p>17 their opinions of values of work was correct?</p> <p>18 A We did.</p> <p>19 Q What did you do?</p> <p>20 A We did some of -- the team did some of its</p> <p>21 own review and corroboration of what was</p> <p>22 transmitted to us, either in writing or</p> <p>23 telephonically.</p> <p>24 Q When you were in consultation, were there</p> <p>25 any examples you can point to where you made</p>
<p style="text-align: right;">Page 195</p> <p>1 well, fulfillment of the -- take that back.</p> <p>2 The fulfillment of the assignment was our</p> <p>3 decision. We then proposed it to the client to</p> <p>4 make sure this was in keeping with their</p> <p>5 expectations. But the total methodology was</p> <p>6 our decision.</p> <p>7 Q Let's break down the process again a</p> <p>8 little bit in terms of determining what this</p> <p>9 consultation actually involved.</p> <p>10 Before you met in consultation with the</p> <p>11 other people on your team, did you have them</p> <p>12 perform their own analyses and come up with</p> <p>13 their own conclusions?</p> <p>14 A In what sense?</p> <p>15 Q Did you ask them to come up with any</p> <p>16 conclusions that they were going to present to</p> <p>17 the team with regard to the valuation of any</p> <p>18 piece of the DIA collection?</p> <p>19 A Well, all members of the team, not only</p> <p>20 the ones who decided on the methodology, came</p> <p>21 up with their suggested individual values.</p> <p>22 Q And did each member of the team come up</p> <p>23 with suggested individual values for every item</p> <p>24 in the DIA collection?</p> <p>25 A We started with -- well, start again.</p>	<p style="text-align: right;">Page 197</p> <p>1 adjustments to the opinions of values that were</p> <p>2 presented by the independent appraisers on the</p> <p>3 team to the committee?</p> <p>4 A I can't recall. We looked and relooked</p> <p>5 many times at the individual values.</p> <p>6 So specifically, I'd have to go back to</p> <p>7 each of the 387 items and talk about it and</p> <p>8 review.</p> <p>9 But ultimately everything got discussed.</p> <p>10 Q Did you form any independent valuations,</p> <p>11 other than through this committee process, as</p> <p>12 to the value of any specific pieces of art of</p> <p>13 the DIA collection?</p> <p>14 A It was always -- I did, but it was always</p> <p>15 in conjunction with the team. That's how we</p> <p>16 work.</p> <p>17 Q Well, what did you do independently in</p> <p>18 conjunction with this engagement?</p> <p>19 A I -- every value, I'll repeat.</p> <p>20 Every value that appears in the report was</p> <p>21 looked at by me in consultation with the team.</p> <p>22 Q Were you ever the one who generated the</p> <p>23 first opinion of value that was presented to</p> <p>24 the team for consideration, with regard to any</p> <p>25 of the pieces in the DIA collection?</p>

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<p style="text-align: right;">Page 198</p> <p>1 A I can't recall because it's all part of a 2 team process. But I certainly was there when 3 the individual values were first determined. 4 Q Did you doublecheck to make sure any of 5 the appraisers who were working for you did 6 a -- performed accurately or performed an 7 appraisal that was methodologically correct? 8 A We did. 9 Q And how did you do that? 10 A We spot checked values. We more than spot 11 checked the individual values. We looked at 12 all the backup information and discussed it. 13 Q For all 387 pieces? 14 A Correct. 15 Q What about for the other items in the 16 collection, other than the 387 -- 17 A Well, the methodology that we used for 18 these other items is detailed in the report, 19 and we had discussed it. But we can do it 20 again if you'd like. 21 Q What's the average salary for an 22 appraiser, generally, at the VWA? 23 A I don't know. I haven't done average 24 salaries. Everyone works on an ad hoc basis. 25 I really don't -- I can't answer that question</p>	<p style="text-align: right;">Page 200</p> <p>1 future dealings with the DIA. 2 Q Do you have any sense of why that would 3 be? 4 MR. PEREZ: Object to the form of the 5 question. Asked and answered. 6 A Do I have any sense of why it might be? 7 BY MR. ABEL: 8 Q Yes. 9 A The answer is yes. 10 Q Why is that? 11 A Like I said before, the dealers, it may 12 affect their business dealing. 13 Q And how would it impact their business 14 dealing? 15 MR. PEREZ: Object to the form of the 16 question. Asked and answered. 17 THE WITNESS: I can answer? 18 MR. PEREZ: Yeah. 19 A I didn't ask the dealer whether their 20 motivation was well-founded or not. If 21 somebody tells me I'll tell you what I think 22 but I don't want to be connected with this 23 report in any way where I can be identified, I 24 respect that. 25 But I certainly did consult them.</p>
<p style="text-align: right;">Page 199</p> <p>1 at this point. 2 I will let you know at the end of the 3 year. But I can't do it now. 4 Q How about last year? 5 A I haven't -- again, I haven't reviewed it. 6 We did your taxes and it is there. 7 I mean, really, you know, different people 8 get paid for the amount of work that they've 9 done in different ways, and it's there. 10 Q You wrote in your report that you 11 consulted dealers materials similar to works of 12 art contained in the subject property; is that 13 right? 14 A That is correct. 15 Q Who did you contact? 16 A I can't tell you. It's a very sensitive 17 assignment. No dealer wanted to be identified 18 as a source for giving me values. 19 Q Why not? 20 A Why? 21 Because many dealers have relationship 22 with the DIA, and they would feel uncomfortable 23 having their names associated with the report. 24 Q Why is that? 25 A They felt that it might impact on their</p>	<p style="text-align: right;">Page 201</p> <p>1 BY MR. ABEL: 2 Q Is that what they told you, these dealers? 3 A Yes. 4 Q AND how many dealers did you talk to? 5 A Again, I think that's rather sensitive 6 information, so I really don't want to answer. 7 Q You're not going to tell me how many 8 dealers you spoke to in conjunction with 9 forming the opinions in your report? 10 A I just feel very uncomfortable about 11 talking about specific dealers, even in 12 numbers, and so on, but we did speak to a 13 number, and I think we should just leave it at 14 that. 15 Q Well, I understand you're reticence to 16 talk about the source date for your report. 17 However, I'm entitled to find out how many 18 people you spoke to, and indeed, who you spoke 19 to. 20 MR. ABEL: If you are going to take the 21 position that he's not required under some 22 confidentiality agreement to disclose this 23 information, then that will be a different 24 story. 25 MR. PEREZ: It's the same position</p>

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<p style="text-align: right;">Page 202</p> <p>1 Mr. Plummer took with respect to every item of 2 testimony. 3 MR. ABEL: Fundamentally different. We're 4 not talking -- 5 BY MR. ABEL: 6 Q Let me ask you: Did you have a 7 confidentiality agreement with any of these 8 individuals, these third parties? 9 A It's implicit in our agreement, yes. We 10 have oral confidentiality. 11 Q Did you discuss that oral confidentiality 12 with them? 13 A With whom? 14 Q With those third-party dealers? 15 A Yes. 16 Q I don't really care about the names. 17 Did you have an agreement with them that 18 you wouldn't close the number of dealers you 19 had talked to? 20 A I feel that anything I can say in 21 particular is really basically a violation of 22 the confidentiality and the trust that my long 23 established sources felt. 24 Q How is the number of dealers that you 25 spoke to in forming your opinion in any way</p>	<p style="text-align: right;">Page 204</p> <p>1 strike your answer because you didn't answer 2 the question that was asked. 3 BY MR. ABEL: 4 Q Okay. My question to you is: You're 5 aware that other individuals in this case, 6 including -- or entities including Christie's, 7 Artvest and Winston filed reports? 8 A Yes. 9 Q Did you review those reports? 10 A Yes, I did. 11 Q In fact, you believe -- you wrote in your 12 report that it was of significant importance 13 that you reviewed the reports submitted by 14 others; isn't that right? 15 A That's correct. 16 Q Why was it of significant importance that 17 you review the Christie's, Artvest and Winston 18 reports? 19 A Because they clearly had opinions in the 20 case with the property. And as I testified 21 earlier, it's of significant importance to 22 review all valuations for the items under -- 23 that are being considered for appraisal. 24 Q You don't believe you'd be more objective 25 by forming your own appraisal without looking</p>
<p style="text-align: right;">Page 203</p> <p>1 disclosing their identities? 2 A There are a limited number of dealers in 3 each particular field. And, consequently, even 4 that -- it's a very small world and people know 5 who my friends are, and even that, would be, I 6 think, a breach of confidentiality. 7 Q Were any of your team members involved in 8 picking what definition of value you utilized 9 in this case? 10 A I think the decision was ultimately mine, 11 but I certainly discussed it with them. 12 Q Did you review reports submitted by other 13 experts in this case? 14 A I certainly did. I mean, the reports I 15 reviewed -- we had, as I testified before 16 several times, we had a number of phone 17 conversations. I spoke to most people. Some 18 of the other members of the core team spoke to 19 others. We then discussed it. 20 MR. PEREZ: I'm sorry. I think I missed 21 the question because that answer was not to the 22 question that was asked. 23 MR. ABEL: No. I'm going to ask a 24 different question. 25 MR. PEREZ: And I'm going to move to</p>	<p style="text-align: right;">Page 205</p> <p>1 at third parties? 2 A No. 3 Q Have you ever worked at Christie's before? 4 A I've worked for Christie's. 5 Q And do you believe that Christie's is a 6 respected auction house in the profession, in 7 the industry? 8 A Yes. 9 Q And Christie's appraises works of art? 10 A Yes. 11 Q That's their core business? 12 A No. 13 Q That's part of their core business? 14 A Yes and no. 15 Q Am I correct that Christie's sells art 16 regularly? 17 A Yes. 18 Q And they appraise works of art in 19 conjunction with those sales? 20 A They give what USPAP calls valuation 21 services, which is different from appraising. 22 Q Well, they value works in conjunction with 23 those sales? 24 A They value works that are being offered 25 for sale.</p>

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Exhibit H

STATE OF MICHIGAN

BILL SCHUETTE, ATTORNEY GENERAL

DETROIT INSTITUTE OF ARTS: Conveyance or transfer of Detroit
 Institute of Arts collection.

CITY OF DETROIT:

CHARITABLE TRUSTS:

NONPROFIT CORPORATIONS
ACT:

The art collection of the Detroit Institute of Arts is held by the City of Detroit in charitable trust for the people of Michigan, and no piece in the collection may thus be sold, conveyed, or transferred to satisfy City debts or obligations.

Opinion No. 7272

June 13, 2013

Honorable Randy Richardville
State Senator
The Capitol
Lansing, MI 48909

You have asked whether the art collected and displayed at the Detroit Institute of Arts may be sold, transferred, or otherwise disposed for the purpose of satisfying debts or obligations of the City of Detroit (City) unrelated to the operation or purpose of the Detroit Institute of Arts.

The Detroit Institute of Arts (museum) is an encyclopedic museum with an expansive collection of art. "The [museum's] collection is among the top six in the United States, comprising a multicultural and multinational survey of human

creativity from prehistory through the 21st century.”¹ The museum is located in the City’s Cultural Center Historic District, which is listed in the National Register of Historic Places.² The museum is operated by a nonprofit corporation, the Detroit Institute of Arts Founders Society (Founders Society).

The City itself is presently under the administration of an emergency manager as provided for in the Local Financial Stability and Choice Act, 2012 PA 436, MCL 141.1541 *et seq.* That act allows the emergency manager to sell, convey, or otherwise transfer assets of the City, if such is provided for in the manager’s financial and operating plan,³ or otherwise with the prior written approval of the Governor. MCL 141.1552(r).⁴ As your request notes, some have suggested that the museum’s art collection, to which the City has legal title, could be sold under this act in order to satisfy debts or obligations owed by the City, but unrelated to the art collection or the museum.⁵

¹ See www.dia.org/about/history.aspx.

² See <http://nirhp.focus.nps.gov/natregsearchresult.do?fullresult=true&recordid=55>.

³ MCL 141.1551 requires an emergency manager to develop a written financial and operating plan addressing various issues, and to submit the plan to the State Treasurer.

⁴ An emergency manager must first submit any proposed sale of assets to the local government unit’s governing body for approval. MCL 141.1559(1). If the governing body disapproves the proposed sale, the governing body must present an alternative plan that yields a similar financial result. The local emergency financial assistance loan board then chooses between the options. MCL 141.1559(2).

⁵ Because this opinion concludes that the art collection is held in charitable trust, it is unnecessary to address whether the collection is the type of asset that could be sold for purposes of MCL 141.1552(r). But arguably, the Legislature, in enacting the Local Financial Stability and Choice Act, did not intend that unique cultural assets of a local unit of government be sold since such a sale would not be in the best interests of the health, safety, and welfare of the citizens of this State. MCL 141.1543.

Before addressing your question, it is helpful to provide an overview of the museum's creation and present operations.

I. Historical Overview of the Detroit Institute of Arts.

The museum was incorporated by its founding members as a nonprofit charitable corporation 128 years ago pursuant to legislation enacted in 1885. In that year, the Michigan Legislature enacted 1885 PA 3, an “[a]ct for the formation of corporations for the cultivation of art.” The act provided that a group of individuals could “become a body corporate” for “the purpose of founding a public art institute” “in the manner and for the purposes . . . set forth” in the act. Section 1, CL 1915, § 10759. The act stated that the corporation must have articles of incorporation setting forth its purpose, Section 2, CL 1915, § 10760, and further provided that:

Such corporations shall have power . . . to receive, acquire, collect, and own paintings, sculpture, engravings, drawings, pictures, coins, and other works of art, and to institute, maintain, or assist schools for the teaching of art.

The public exhibition of its collection of works of art shall be the duty of every such corporation, and, as soon as it shall be prepared to do so, it shall, under reasonable regulations, and without any improper discriminations, open its buildings and art collection to the general public. [1885 PA 3, Sections 3 and 4, CL 1915, §§ 10761, 10762; emphasis added.]

The property of the corporation would be tax exempt, Section 18, CL 1915, § 10776, and the corporation would be managed by a board of trustees who served without compensation. Sections 6 through 11, CL 1915, §§ 10764 - 10769. The act

required that “all gifts, devises, or requests” be “faithfully used for the purposes” of the corporation, and “no dividend in money or property” could be made among the corporation’s members. Section 15, CL 1915, § 10773. The corporation was prohibited from changing its “character and purposes,” and from selling “its general art collection.” Section 16, CL 1915, § 10774. And the corporation could only wind up its affairs if provided for by law. *Id.*

The museum, then known as the Detroit Museum of Art, was incorporated on April 16, 1885, pursuant to these requirements, and set forth its purpose in its articles of incorporation as “for the founding of a public art institute in the City of Detroit, which may . . . receive and use such gifts, contributions, devises and bequests as may be made for art purposes: receive, acquire, collect and own paintings, sculpture, engravings, drawings, pictures, coins and other works of art, and may do all things authorized by said Act” (1885 Articles of Incorporation, Detroit Museum of Art).⁶ The museum immediately thereafter began acquiring pieces of art for its collection through purchases, gifts, donations, and bequests.

Not long after the museum’s incorporation, the Legislature passed various acts empowering the City to appropriate money to support the museum, and to issue bonds for the construction of buildings. This expenditure of public money on behalf of the museum, a private nonprofit corporation, raised concerns and a lawsuit was filed. See *Detroit Museum of Art v Engel*, 187 Mich 432, 434-435; 153

⁶ The museum’s corporate documents are available at www.dleg.state.mi.us/bcs_corp/sr_corp.asp.

NW 700 (1915). During this time period, the museum had conveyed its buildings and real estate to the City. (No art was conveyed to the City given the express prohibition in the incorporating legislation). However, the museum retained control of its collection and operation. *Detroit Museum of Art*, 187 Mich at 435.

The Michigan Supreme Court ultimately concluded that these appropriations violated the 1908 Constitution's restrictions on a city's lending of credit to an entity other than a public or "municipal agency." *Id.* at 439-443. The Court agreed that the museum served a "public purpose," but did not find that fact or the fact that the museum had conveyed its buildings and real property to the City dispositive since it did "not change the museum's character as a private corporation." *Id.* at 440.

Presumably, after this decision, the museum no longer received appropriations from the City, and the museum apparently began to struggle financially. In response, in 1919 the Legislature amended 1885 PA 3, as amended by 1913 PA 245, to allow corporations formed under that act to convey their property. 1919 PA 67 provided that a "corporation organized under [1885 PA 3] situated in a city empowered to maintain a public art institute . . . may convey all or any of its property to said city. . . and said property so conveyed shall . . . be faithfully used for the purposes for which such corporation was organized" Section 20. 1885 PA 3, 1913 PA 245, and 1919 PA 67 were subsequently repealed by 1921 PA 84, as part of the consolidation of corporations law, but were subject to the savings provision in that act.

Pursuant to this statutory authorization and the City's 1918 Charter, which authorized the City to operate an art institute and to acquire art for the institute, Charter XIX, Sections 1, 7, the museum, in its corporate capacity as the Detroit Museum of Art, conveyed its buildings and art collection to the City in 1919. With the legal transfer of the properties and art collection to the City, the City was now free to support the museum; and it did so by funding both museum operations and by purchasing new art for the collection. The nonprofit corporation, however, did not wind up its affairs but rather continued to exist to assist the museum with gifts of art and with support of museum operations and their costs. That nonprofit corporation exists today as the Founders Society, as noted above.

Over the ensuing years, the museum's structure and funding sources changed as needed based on changing circumstances. By 1955, the City began to encounter financial problems, and its acquisitions for the museum collection largely ceased. In 1973, the museum temporarily closed due to lack of funding. Shortly thereafter, in 1977, the State began granting money to the City so that the museum could continue operating. In 1983, the City claimed greater control over the museum's operations: museum employees became employees of the City. These events led to the issuance of an opinion by Attorney General Frank Kelley, which confirmed the validity of State appropriations or grants to the City for the benefit of the museum. In confirming State support for the museum, Attorney General Kelley recognized the museum's state or "public purpose" and status as a unique, cultural treasure of the people of Michigan:

Unquestionably, and uniquely in Michigan, the Detroit Institute of Arts, as a widely acclaimed cultural facility, is utilized by the citizens of this state without regard to residency in the city. The facility is an outstanding tourist attraction utilized by tourists and their families. Its vast displays and cultural facilities are readily and regularly available to Michigan students. Both the Governor in his Executive Budget, and the Legislature in the enactment of appropriations for the support of the Detroit Institute of Arts, have recognized its place in the cultural life of this state. [OAG, 1983-1984, No 6225, pp 303, 308 (May 7, 1984).]

Following the Attorney General's opinion, state grants for the museum continued; though by the 1990s, these grants began decreasing. From 1977 through 2011, state funding for the museum totaled roughly \$300 million.

In 1997, the structure and operation of the museum changed again. Under a 1997 Operating Agreement, the City maintained its legal title to the art collection, but transferred operations – and their entire cost – back to the Founders Society. From 1997 to the present, the museum has operated under this Agreement. And despite the Founders Society's best efforts to support the museum with charitable dollars, it continued to face financial difficulties. In 2010, the Legislature enacted the Art Institute Authorities Act, 2010 PA 296, MCL 123.1201 *et seq.* This act authorized the establishment of an art institute authority for the levying of property taxes to support "art institute[s]" like the museum. MCL 123.1205.⁷ In November 2012, voters of Oakland, Macomb, and Wayne Counties passed the

⁷ The act defines "art institute" as "an encyclopedic art museum whose primary art collection and facility, at the date an authority is established, are owned by a municipality located in this state." MCL 123.1203(a).

millage to help support the museum. This millage supplements the museum's charitable endowment and regular charitable contributions.

II. Present Operations.

To address your question, a closer examination of the 1997 Operating Agreement is also required. Other helpful documents include the Museum's Collections Management Policy, which is referenced in the Operating Agreement; the ethical policies governing both American and international museums; and the accounting practices that apply to museum art collections.

A. 1997 Operating Agreement.

The 1997 Operating Agreement, which expires in 2018, currently governs the relationship between the Founders Society and the City. The Operating Agreement is referenced explicitly in the City's charter: "The Arts Department shall maintain and operate the Detroit Institute of Arts directly or pursuant to an operating agreement." 2012 Charter for the City of Detroit, § 7-301.

Several sections of the Operating Agreement are relevant to the ownership and disposition of the art collection.

Section E. of the Operating Agreement specifies that the City retains ownership of the art collection, the museum properties, and any newly acquired art. And Section F.12. requires the Founders Society to use best efforts to solicit gifts and donations of works of art for the benefit of the museum.

Section F.2.(a) of the Operating Agreement cedes responsibility for managing the City's art collection to the Founders Society in accord with the museum's Collections Management Policy, which is discussed below. In addition, Section F.2.(b) cedes the right to acquire and dispose of the museum's works of art to the Founders Society; providing that any funds it receives from any sale must be used solely to purchase other works of art for the art collection. In consideration for exclusive right to manage the museum and control the artwork, subject to the terms of the agreement, the Founders Society assumed full responsibility for all operating expenses of the museum, as well as other obligations that had previously been the responsibility of the City, including "management of the art collections; presentation of exhibitions and other events; maintenance of the museum building, the Frederick lot . . . and the employee parking lot; collection and expenditure of income; fundraising; marketing; acquisition/disposition of works of art; and all other financial operations" Section D.3. Although the City retains legal title to the museum and its artwork, the sale of the artwork by the City is not permitted under the Operating Agreement and would seriously undermine the ability of the Founders Society to fulfill its contractual responsibilities.

B. Collections Management Policy.

The museum's Collections Management Policy, to which Section F.2.(a) of the Operating Agreement requires the Founders Society to adhere, includes language restricting the disposition of the art collection.

Section V.A. states: "In considering objects or groups of objects, the Museum must be ever aware of its role as trustee of the collection for the benefit of the public." Section V.E. similarly states: "The manner of disposition should be in the best interest of the Museum, the public it serves, the public trust it represents, and the scholarly and cultural communities it serves." Section V.F. limits the use of the disposition proceeds: "Net proceeds derived from the sale of a deaccessioned object (i.e., the proceeds of the disposition less all related expenses) shall not be used as operating funds. Such net proceeds shall be placed in the selling curatorial department's Art Acquisition Fund"

C. Professional Codes of Ethics.

The museum's Collections Management Policy, which views museum assets as being held in "public trust"⁸ and which strictly limits deacquisition of art, is in accord with the professional codes of ethics adopted by the American Alliance of Museums and the International Council of Museums.⁹ Relevant sections from these ethical codes follow.

⁸ The term "public trust" as used by museums and their associations should not be equated with the "public trust doctrine" that Michigan and other courts have applied to navigable waterways. See, e.g., *Glass v Goeckel*, 473 Mich 667, 694; 703 NW2d 58 (2005) (finding that the shores of the Great Lakes below the ordinary high water mark were held in public trust.). See also *Netweg v Wallace*, 237 Mich 14, 17; 208 NW 51 (1926) and *State v Venice of America Land Co*, 160 Mich 680, 702; 125 NW 770 (1910). While there has been debate in other states for extending this doctrine to apply to cultural resources, like museums, see Sara Tam, Note, 39 Fordham Urb L J 849, 861-863 (2012), In *Museums We Trust: Analyzing the Mission of Museums, Deaccessioning Policies, and the Public Trust*, research discloses no Michigan cases that have applied the public trust doctrine outside of the natural resources context.

⁹ Museums and professional organizations began promulgating ethical codes regarding deaccessioning and museum practices, after the Metropolitan Museum of Art in New York planned

The American Alliance of Museum's Code of Ethics (adopted 1991, amended 2000) states:

Taken as a whole, museum collections and exhibition materials represent the world's natural and cultural common wealth. As stewards of that wealth, museums are compelled to advance an understanding of all natural forms and of the human experience. It is incumbent on museums to be resources for humankind and in all their activities to foster an informed appreciation of the rich and diverse world we have inherited. It is also incumbent upon them to preserve that inheritance for posterity.

Museums in the United States are grounded in the tradition of public service. They are organized as public trusts, holding their collections and information as a benefit for those they were established to serve. . . .

[D]isposal of collections through sale, trade or research activities is solely for the advancement of the museum's mission. Proceeds from the sale of nonliving collections are to be used consistent with the established standards of the museum's discipline, but in no event shall they be used for anything other than acquisition or direct care of collections.¹⁰

The International Council of Museums' Code of Ethics (adopted 1986, amended 2001, and revised 2004) gives similar principles:

Principle 2: Museums that maintain collections hold them in trust for the benefit of society and its development.

* * *

Principle 2.16: Museum collections are held in public trust and may not be treated as a realizable asset. Money or compensation received

to sell several significant pieces in 1972. Tam, In Museums We Trust, 39 Fordham Urb L J at 864-865.

¹⁰ Available at www.aam-us.org/resources/ethics-standards-and-best-practices/code-of-ethics-for-museums.

from the deaccessioning and disposal of objects and specimens from a museum collection should be used solely for the benefit of the collection and usually for acquisitions to that same collection.¹¹

D. Accounting Practices.

In accord with the view that museum art collections are held in trust for the public and are not financial assets of the museum, neither the City nor the Founders Society have capitalized the art collection. In other words, the art collection is not considered on either the City's or the Founders Society's books as an asset with a monetary value because, though these assets have substantial monetary value, they are not assets that can simply be sold; rather, they are subject to the strict deaccessioning policies discussed above.

The decision not to capitalize the art collection accords with the American Association for State and Local History's policy against capitalization of museum collections. It also accords with the accounting principles of both the Financial Accounting Standards Board and the Governmental Accounting Standards Board, which each allow the non-capitalization of museum collections. See FASB, No. 116, ¶¶ 11-13; GASB No. 34. By contrast, the City has capitalized other City works of art that are outside the museum's collection; the City's 2012 Comprehensive Annual Financial Report lists these works of art as capital assets valued at \$29.8 million.¹²

¹¹ Available at <http://icom.museum/the-vision/code-of-ethics/>.

¹² See City of Detroit's 2012 Comprehensive Annual Financial Report, pp 29, 95, available at <http://www.detroitmi.gov/DepartmentsandAgencies/Finance/AccountsDivision.aspx>.

It is understood that such works of art include the City's "Spirit of Detroit" statue, the Joe Louis "fist," and other works of art in City buildings.

III. The art collection is held in charitable trust and may not be sold to satisfy City debts.

Against this backdrop, you ask whether the art collected and displayed at the museum may be sold or transferred for purposes of satisfying debts or obligations of the City unrelated to the collection or the museum. The answer to this question is no. As explained below, this question is governed by the law of charitable trusts.

A. Michigan law favors the creation of charitable trusts.

Michigan charitable trust law is rooted in the common law. Much of that law is now codified in various statutes, such as the Supervision of Trustees for Charitable Purposes Act, 1961 PA 101, MCL 14.251 *et seq.*, the Charitable Gifts Act, 1915 PA 280, MCL 554.351 *et seq.*, the Nonprofit Corporation Act, 1982 PA 162, MCL 450.2101 *et seq.*, and the Estates and Protected Individuals Code (EPIC), 1998 PA 386, MCL 700.1101 *et seq.* Though the museum was incorporated before many of these statutes were enacted, the basic principles of charitable trust law are uniform and longstanding.

A Michigan court observed decades ago that "[c]haritable gifts and trusts are favorites of the law and of the courts, and the courts will declare valid, and give effect to, such gifts and trusts where it is possible to do so" *In re Rood's Estate*, 41 Mich App 405, 422; 200 NW2d 728 (1972), quoting 14 CJS, Charities, § 6, p 427.

The Supervision of Trustees for Charitable Purposes Act echoes this sentiment, providing that “[i]t is hereby declared to be the policy of the state that the people of the state are interested in the administration, operation and disposition of the assets of all charitable trusts in the state.” MCL 14.251. That act further provides that the “act, in all of its provisions, in the interests of society and in conformity with public policy is intended to protect the rights and interest of the people of the state and the uncertain and indefinite beneficiaries of all charitable trusts” MCL 14.265.¹³

The EPIC defines the word “trust” in the following way:

“Trust” includes, but is not limited to, an express trust, private or *charitable*, with additions to the trust, wherever and however created. Trust includes, but is not limited to, a trust created or determined by judgment or decree under which the trust is to be administered in the manner of an express trust. [MCL 700.1107(n); emphasis added.]

Case law confirms this, concluding that the term “trust” is not limited to express trusts and extends to corporations created to administer trusts. See *In re Americana Foundation*, 145 Mich App 735; 378 NW2d 586 (1985).

The EPIC defines a “charitable trust” as “a trust . . . created for a charitable purpose described in section 7405(1).” MCL 700.7103(c). Section 7405(1), MCL 700.7405(1), in turn, provides that a charitable trust “may be created for the relief of poverty, the advancement of education or religion, the promotion of health,

¹³ The Supervision of Trustees for Charitable Purposes Act provides that “[t]he attorney general . . . shall represent the people of the state and the uncertain or indefinite beneficiaries in all charitable trusts in this state, and may enforce such trusts by proper proceedings in the courts of this state.” MCL 14.254(a). See also MCL 554.352 and MCL 700.7405(3).

scientific, literary, benevolent, governmental, or municipal purposes, . . . or other purposes the achievement of which is beneficial to the community.” See also Restatement (Third) of Trusts §§ 27-28 (2003); 15 Am Jur 2d, Charities, §§ 5 and 32. Section 2(b), MCL 14.252(b), of the Supervision of Trustees for Charitable Purposes Act similarly defines “charitable trust” as “the relationship where a trustee holds property for a charitable purpose.” While neither of these Acts expressly mention art museums, the public exhibition of art is generally considered a charitable purpose. See 15 Am Jur 2d, Charities, § 49. See also *Hardman v Feinstein*, 240 Cal Rptr 483, 486 (Cal Ct App 1987) (“Art museums advance education and therefore serve a charitable purpose.”). In fact, charitable trusts and nonprofit corporations “are the organizational structures generally available to private museums.” Sara Tam, Note, In Museums We Trust: Analyzing the Mission of Museums, Deaccessioning Policies, and the Public Trust, 39 Fordham Urb L J 849, 855-856 (2012).

These more recent statutory iterations of the term “charitable trust” are consistent with the Michigan Supreme Court’s past descriptions. In *Scarney v Clarke*, 282 Mich 56, 63-64; 275 NW 765 (1937), the Court observed:

In 2 Restatement of the Law of Trusts, p 1096, § 349, it is said:

“A charitable trust may be created by (a) a declaration by the owner of property that he holds it upon a charitable trust; or (b) a transfer inter vivos by the owner of property to another person to hold it upon a charitable trust.”

* * *

In charitable trusts, the public is the beneficiary. A distinguishing characteristic of such a trust is that the prospective beneficiary is undetermined and unknown, and while such a trust need not be for the benefit of the entire public, yet it must be public in nature and for unascertained beneficiaries. [See also *Scudder v Security Trust Co*, 238 Mich 318; 213 NW 131 (1927) (discussing requirements for creation of charitable trust).]

Historically, to create a charitable trust, no specific words needed to be used, rather “[i]t [was] sufficient . . . to show[] an intention that the property should be held subject to a legal obligation to devote it to purposes which are charitable.” *Knights of Equity Memorial Scholarships Comm v University of Detroit*, 359 Mich 235, 242-243; 102 NW2d 463 (1960) (affirming that agreement between voluntary association and university created a charitable trust), quoting 4 Scott, Trusts (2d ed.) § 351, at 2574. See also *In re Rood’s Estate*, 41 Mich App at 413 (“A determination that a charitable trust is created needs only a finding that ‘some charitable purpose’ exists.”) and *In re Americana Foundation*, 145 Mich App at 738-739. The EPIC similarly does not require any particular words be used to create a trust, MCL 700.7401(1) and MCL 700.7402, and a trust may even be created through oral statements, MCL 700.7407.

In general, any legal entity, including a municipality, may serve as trustee of a charitable trust. Restatement (Third) of Trusts, § 33; 15 Am Jur 2d, Charities § 83. The Supervision of Trustees for Charitable Purposes Act defines “[t]rustee” to “mean[] any individual, group of individuals, association, foundation, trustee corporation, or *other legal entity* holding property for any charitable purpose.” MCL 14.252(a) (emphasis added). See also *Hardman*, 240 Cal Rptr at 485-486 (Fine Arts

Museums of San Francisco is charitable trust administered by City of San Francisco as trustee). A city may thus act as trustee of a charitable trust established for the purpose of maintaining and operating an art museum.

A “trustee shall administer the trust in good faith, [] in accordance with its terms and purposes, for the benefit of the trust beneficiaries.” MCL 700.7801. See also MCL 700.7802. With a trust, whether charitable or otherwise, the trustee holds the legal interest – or legal title – in the assets, but the beneficiary holds the equitable interest. *Apollinari v Johnson*, 104 Mich App 673, 675, 305 NW2d 565 (1981) (“The separation of legal and equitable title is one of the distinctive features of the trust relationship. Legal title vests in the trustee to be held for the benefit of the beneficiary.”). See also *In re Americana Foundation*, 145 Mich App at 740 (Trustee foundation “held the legal estate whereas the public received the benefit and enjoyment.”); Restatement (Third) of Trusts, § 2, comment d, see also *id.*, § 42. Thus, while a trustee has legal title to the trust assets, a trustee may not dispose of trust assets as the trustee wishes; instead, a trustee is limited to using the assets for the designated purposes of the trust. MCL 700.7801. See also *In re Friends for Long Island’s Heritage*, 911 NYS2d 412 (NY App Div 2010) (nonprofit corporation could not sell assets donated for purpose of public exhibition and display to pay off corporate debts upon dissolution.).

- B. The art collection is held in charitable trust for the people of Michigan and cannot be sold for purposes other than the acquisition of art.**

With its incorporation in 1885, the museum was created as a nonprofit corporation with a specific charitable purpose: “the public exhibition of its collection of works of art.” 1885 PA 3, Section 4, CL 1915, § 10762. The museum’s 1885 Articles of Incorporation reflect this purpose. The museum was authorized to acquire art for that specific purpose, 1885 PA 3, Section 3, CL 1915, § 10761, and was required to “faithfully use[]” “[a]ll gifts, devises, or bequests made to” the museum for that purpose. *Id.*, Section 15, CL 1915, § 10773. The museum could not change its “character and purposes” or sell “its general art collection” unless authorized by the Legislature. *Id.*, Section 16, CL 1915, § 10774.

Thus, as a legal entity holding assets for a charitable purpose, the museum was founded as a charitable trust. The museum’s charitable purpose was the exhibition of art for the public; the art collection thereafter acquired by the museum became the res or assets of the trust. And as a the charitable trustee, the Founders Society was limited to using its assets – the art collection – for its dedicated charitable purpose.

Moreover, the Legislature’s intent was plain: once an art institution like the museum incorporated and began collecting art and dutifully exhibiting its collection for the public, it was do so in perpetuity if possible. Hence, the Legislature created restrictions on a change to the character or purpose of the art institution, and the

disposition of its general collection; and it required that any winding up be provided for by law so as to “best promote and perpetuate” “the purposes” of the institution. 1885 PA 3, Section 10774, CL 1915, § 10774.

In 1919, in the wake of the Michigan Supreme Court’s ruling in *Detroit Museum of Art v Engel*, the Legislature determined that the best method to “promote and perpetuate” “the purposes” of the museum was to authorize the conveyance of all property to a “city empowered to maintain a public art institute.” 1919 PA 67, Section 20. This conveyance would allow the City directly to support the museum consistent with the Supreme Court’s ruling. The law also required the City to “faithfully[] use[]” the art conveyed “for the purposes for which” the institution was organized, which was to operate a “public art institute” and exhibit art to the “general public.” No provision was included for a city to change or modify the purpose, sell the art conveyed, or wind up or dissolve its public art institute.

Pursuant to these express statutory authorizations, the Founders Society transferred its art collection to the City in 1919. When the City accepted the transfer, it was bound by the language of 1919 PA 67 to perpetuate and “maintain a public art institute” that would exhibit art to the general public, and to “faithfully[] use[]” the art conveyed for that purpose. Under charitable trust law, this transfer was a transfer of the Founders Society’s legal interest or legal title in its charitable assets to a new charitable trustee – the City. Under those circumstances, the equitable interest in the art collection remained with the people of Michigan, the ultimate beneficiaries of the museum’s or Founders Society’s charitable purpose.

Appollinari, 104 Mich App at 675. See also *Hardman*, 240 Cal Rptr at 486

("[A]lthough the Fine Arts Musuems [] is administered by City officials [as trustee], the trust assets do not constitute public assets but rather the res of a charitable trust.").¹⁴

In accepting the trust, consistent with the statute, the City agreed at its own cost and expense to maintain and operate the trust, which by City Charter included the mandate that the City "[s]hall acquire, collect, own and exhibit, in the name of the city, works of art, books and other objects such as are usually incorporated in Museums of Art." 1918 City Charter, Chapter XIX, Section 7(c).¹⁵ Over the years, the museum's art collection grew through charitable donations of art and direct purchases by the City. As new pieces were added to the collection, the entire collection continued to be dedicated towards the museum's initial charitable purpose: the public display of its art collection. See MCL 700.1107(n) (term "trust" "includes . . . an express trust, private or charitable, *with additions to the trust, wherever and however created.*") (Emphasis added). Thus, the entire collection – to this day – continues to be held in charitable trust for this same charitable purpose,

¹⁴ While the entire art collection is held in charitable trust, the plain language of 1919 PA 67 further protects any piece of art acquired from 1885 through the 1919 transfer from sale for a non-museum related purpose because the City of Detroit can only "use[]" that art "for the purposes for which" the museum was organized, which was to operate a "public art institute" and display art to the "general public." 1919 PA 67, Section 20; 1885 PA 3, Sections 1, 3, and 4, CL 1915, §§ 10759, 10761, and 10762. This language precludes a sale of artwork obtained through this transfer for the purpose of satisfying City debts unrelated to the art collection or the museum. And other Michigan laws add protection to those works of art that were gifts from charitable donors. See, e.g., MCL 554.352 (gifts for charitable purposes create a charitable trust that "shall be liberally construed by the court so that the intentions of the creator thereof shall be carried out whenever possible.").

¹⁵ Notably, while the 1918 City Charter empowered the Arts Commission, subject to the approval of the city council, to sell, convey, and lease any real property, *Id.*, Section 7(g), no express provision was made for the sale or disposal of the art work.

including the pieces acquired by the City with City money that were purchased and added to the museum collection.¹⁶

This conclusion is consistent with Michigan trust law, and restrictions found in the Nonprofit Corporation Act, the statute under which charitable, nonprofit corporations incorporate today. See MCL 450.2301(5) (“This act shall not be deemed to permit assets held by a corporation for charitable purposes to be used, conveyed or distributed for noncharitable purposes.”) Moreover, the museum’s current operations and policies under the 1997 Operating Agreement, the museum’s Collections Management policies, the ethical policies of the various museum associations, and the Founders Society’s and the City’s accounting practices, confirm this result. Rather, these documents, discussed above, expressly state that the entire collection is held in trust for the public and strictly limit the use of the art to its public exhibition, and any disposition of art or proceeds from the disposition of art can only be used to acquire additional art for the museum’s collection. Based on these facts and charitable trust law, the City, as charitable trustee, cannot sell art from the trust for the purpose of satisfying debts owed to its creditors.

¹⁶ A contrary conclusion that some of the art collection is held in charitable trust and other art is not – for instance, the art purchased by the City – is neither consistent with trust law nor reasonable. If this were the case, assets held in charitable trust would necessarily reside in the same collection as non-charitable assets, despite the fact that the *whole collection* exists for the singular charitable purpose of the public exhibition of art. See MCL 700.7811(2) (A trustee shall keep trust property separate from the trustee’s own property.”) Moreover, under that view, as substantial charitable contributions continued to be made over the years both directly to the collection and in support of the collection, the commingling of charitable assets with non-charitable assets could be viewed as a breach of charitable trust. See MCL 700.7901. That untenable result further supports the conclusion that the entire collection existed – and continues to exist – in charitable trust.

Conclusion

It is my opinion, therefore, that the art collection of the Detroit Institute of Arts is held by the City of Detroit in charitable trust for the people of Michigan, and no piece in the collection may thus be sold, conveyed, or transferred to satisfy City debts or obligations. In issuing this opinion, I recognize the serious financial hardships that face the City, the difficulties that the people who live and work in the City have endured for decades, and the many challenges facing the citizens of the City of Detroit and the State in the future. Yet, in the 128 years since the creation of the Detroit Institute of Arts, at no time have the people demanded that their most precious cultural resources be sold in order to satisfy financial obligations. To the contrary, the citizens of this State recognize that abandoning or selling the public's artwork would damage not only the City's but the State's cultural commonwealth. In Michigan, we not only appreciate our cultural treasures, we guard them zealously in charitable trust for all state residents, present and future.



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