

ART TITLE ADVISORS

●●●●● Research. Document. Defend.

If you own valuable artwork, or you are a professional involved with art collectors, their wealth management, and/or their estates, you need the service provided by Art Title Advisors, LLC ("ATA"). ATA performs due diligence title research for works of art and issues an Ownership Rights Protectionsm Report (Report) for use in defending against conflicting ownership claims. The **Chubb Group of Insurance Companies** has selected ATA as a preferred service provider, and a number of leading art law experts have endorsed the due diligence inquiries undertaken by ATA.

As you probably know, theft continues to plague the art market. The FBI and INTERPOL report billions of dollars in annual art theft. This is in addition to the billions stolen or sold under duress throughout Europe prior to and during the Second World War, and now held in private hands. What many fail to realize is that the art market lacks controls to systematically detect spoiled title. Under United States common law a thief cannot convey good title, not even to a good faith purchaser for value. The result for collectors and their legal and business advisors is the open-ended exposure that valuable art works could be recovered by theft victims or their descendants.

Examples of art theft, both historic and current, are all too common. In early 2009 the Museum of Modern Art and Guggenheim Museum both decided to settle claims made by descendants of Holocaust Era art owners seeking to recover paintings long in the collections of the two museums. A little over one year ago the U.S. Court of Appeals, 1st Circuit held that a "forced sale" of artworks made during the Nazi occupation constitutes a theft and thereby entitles descendants of the original owner to recover a painting from a family that had long possessed it. Yale University is presently litigating its ownership rights to a Van Gogh, continuing an ownership bout that dates back to the Russian Revolution. Currently, theft from museums and private collections is a fixture in the news.

Any fiduciary involved in financial, trust or estate planning should consider this risk as part of the planning process for a client whose assets include works of art. Failure to conduct appropriate due diligence could well sabotage an estate plan or trust, cause the estate ruinous estate tax consequences, deprive beneficiaries of intended bequests, frustrate both the lifetime and testamentary objectives of the client and visit personal liability upon the estate or trust fiduciary. As if that were not sobering enough, failing to appropriately manage the risk of competing ownership claims exposes the advisor to professional malpractice.

ATA consults domestic and international sources. These include, among others, museums, galleries, law enforcement, and experts in the artist at issue. With an Ownership Rights Protectionsm Report issued by ATA, a collector can show that he/she has met the standard of due diligence recognized by U.S. courts.

In comparison to alternative approaches ATA's Report affords a highly cost effective defense to help defeat a competing ownership claim. We would be pleased to provide additional information. Visit us at www.arttitleadvisors.com.

Sincerely,
Art Title Advisors, LLC

Lloyd Goldenberg/Director of Research Mark Mendelsohn/Director of Marketing