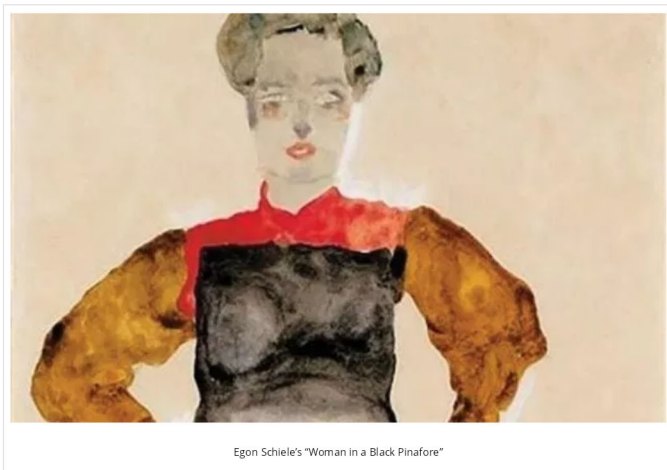


# Heirs of Holocaust Victim Prevail in Art-Recovery Case

NICK RUMMELL July 10, 2019



Egon Schiele's "Woman in a Black Pinafore"

MANHATTAN (CN) – In a [ruling](#) with profound expected consequences for the German-Austria art scene, an appeals court cleared the way Tuesday for the heirs of a Jewish cabaret performer murdered in the Holocaust to recover two paintings from a British collector.

Before the Nazis sent him to the concentration camp at Dachau, Fritz Grunbaum had more than 400 artworks, 81 of which were completed by Austrian-born artist Egon Schiele.

Two of Grunbaum's heirs [filed suit](#) in New York to recover two Schiele watercolors, "Woman Hiding Her Face" (1912) and "Woman in a Black Pinafore" (1911), after collector Richard Nagy displayed them in November 2015 at the Park Avenue Armory for the Salon Art + Design Show.

Nagy insisted that the artworks had been purchased in good faith, but a New York judge sided with Grunbaum's heirs last year at [summary judgment](#), saying "a signature at gunpoint cannot lead to valid conveyance."

Nagy offered no evidence to contradict documents showing that the Nazis confiscated Grunbaum's collection by forcing him to sign power of attorney to his wife before she too was murdered in the Holocaust.

After the First Judicial Department of New York's Appellate Division affirmed summary judgment Tuesday, attorney Raymond Dowd said in an interview that the ruling could help Grunbaum's heirs recover another Schiele, "Dead City III," from the Leopold Museum in Austria.

Dowd, a lawyer with the firm Dunnington Bartholow & Miller, noted that Manhattan District Attorney Robert Morgenthau "changed the view of whether Nazi-looted art should be returned" to Jewish families with his [seizure](#) of "Dead City III" in 1998.

"The fact that years later Morgenthau's seizure is essentially vindicated, and that ['Dead City III'] is identified as stolen property is extremely important and it will be watched by the world," said Dowd, who called the work the "Rosetta stone" of this case.



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Today, the Schiele artworks that Grunbaum's heirs sought to recover from Nagy are valued at more than \$5 million to \$7 million.

Nagy, a specialist in German Expressionist art, had obtained a 50 percent share in "Woman in a Black Pinafore" in 2005, fully acquiring it and "Woman Hiding Her Face" in 2013 after the Second Circuit ruled against Grunbaum's estate regarding the ownership of another Schiele piece, "Seated Woman With Bent Left Leg."

Nagy purchased title insurance on the artwork, listing it as "lost art" and noting that Grunbaum's heirs claimed it had been looted by Nazis.

The heirs claim that the Swiss gallery where Grunbaum's Schieles surfaced in 1956 used forged documents to claim that Grunbaum's sister-in-law, Mathilde Lukacs, had sold the works.

Judge Charles Ramos noted in last year's ruling that Nagy did not pay full value for at least one of the two paintings and was aware of the paintings' checkered past.

Judge Anil Singh meanwhile signed Tuesday's ruling from the New York appeals court.

"The tragic consequences of the Nazi occupation of Europe on the lives, liberty, and property of the Jews continue to confront us today," Singh wrote for a unanimous panel. "We also note that New York has a strong public policy to ensure that the state does not become a haven for trafficking in stolen cultural property, or permitting thieves to obtain and pass along legal title."

Dowd says his clients intend to auction the paintings in November.

Thaddeus Stauber, an attorney for Nagy with the firm Nixon Peabody, emphasized that the court made no finding that their client acquired the artworks improperly.

"We are disappointed that the Court did not rule that a trial on the merits was necessary here, and instead disregarded the careful expert reports commissioned from respected provenance experts," Stauber said.

The lawyer noted several previous court decisions had found the art collection was not stolen during World War II, and noted Nagy will review his appellate options.

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