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Defendants Settle In Knoedler Art Forgery Trial, But Art Buyers  
Should Beware



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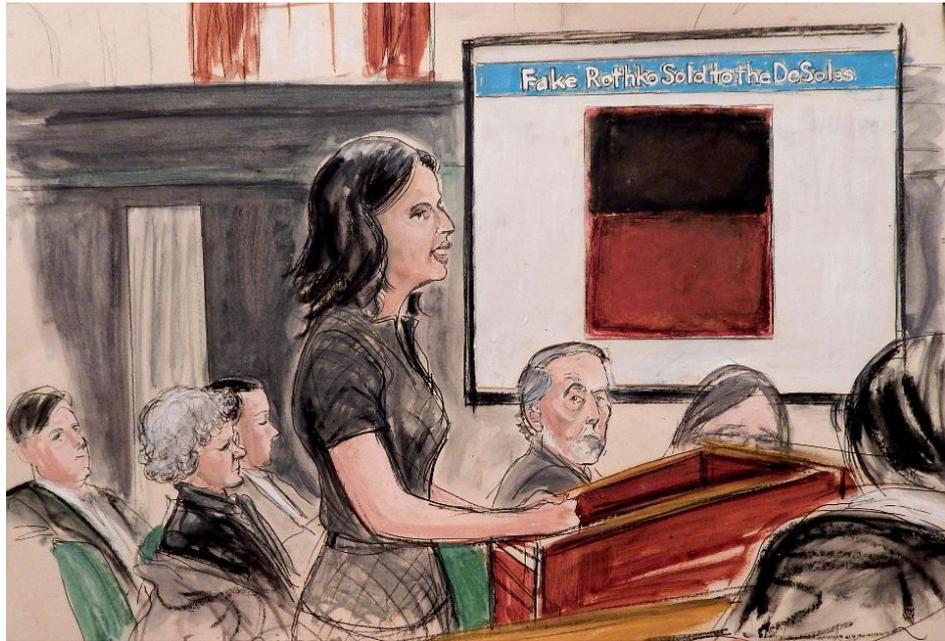
When new collectors make their first art purchase, they are advised to buy from reputable galleries or auction houses and carefully check the provenance and condition of the piece.

But that is not always enough, and even highly experienced collectors can be duped. Sotheby's chairman Domenico De Sole and his wife Eleanore insist they [checked all those boxes](#) before they spent \$8.3 million in 2004 on a supposed Rothko painting at the Knoedler Gallery, the oldest gallery in Manhattan before it shut in 2011. They still ended up with a worthless forgery produced by an unknown Chinese artist named Pei Shen Qian in his garage in Queens.

The civil case brought by the De Soles against Knoedler, its parent company, 8-31 Holdings, and its former director, Ann Freedman, was settled abruptly in the U.S. District Court in Manhattan this morning, after the De Soles finalized a financial settlement with all three parties. The settlement terms were not disclosed, but the De Soles had been seeking \$25 million in damages.

The case involved whether Knoedler knowingly sold the De Soles a fake Rothko in 2004. All the defendants have denied any wrongdoing.

The disputed painting was one of 40, supposedly by post-war artists such as Jackson Pollock and Robert Motherwell, which Long Island art dealer Glafira Rosales sold to Knoedler between 1994 and 2008. Freedman and the gallery say they believed that the paintings were authentic, but Rosales admitted that [all the paintings were fakes](#) after she pleaded guilty to tax evasion and money laundering in 2013.



*In this courtroom sketch of Monday, Jan. 25, 2016, Emily Reisbaum, center, attorney for Domenico De Sole, center right, gives her opening statement with a display of a fake Mark Rothko painting, at a civil trial in New York at Manhattan federal court. At left, flanked by her defense team, is Ann Freedman who was a former director of Knoedler & Co. (Elizabeth Williams via AP)*

The trial, one of several still pending against the gallery, didn't produce a jury verdict, so leaves many unanswered legal questions. However, the testimony given about one of the biggest art frauds in recent history has blown holes in much of conventional advice given to art buyers and highlights some of the major headaches they face today.

## **Buyer beware**

One key question left unanswered by this trial is how far buyers can rely on the information a gallery or auction house presents about an art work and whether they are responsible for doing their own due diligence.