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Former Knoedler Gallery Director Ann Freedman Settles Out  
of Court in Fraud Trial

Henri Neuendorf, Monday, February 8, 2016



Defendant Ann Freedman and counsel.

Image: Elizabeth Williams, courtesy ILLUSTRATED COURTROOM.

Ann Freedman, the former president and director of Knoedler & Company, has settled out of court in a fraud lawsuit brought against her and the gallery by collectors Domenico and Eleanore De Sole, according to the [New York Times](#). The attorneys for both parties confirmed the settlement to the paper on Sunday, just one day before Freedman is scheduled to testify in court. The case against Knoedler gallery and its parent company, 8-31 Holdings, will continue in US District Court in Lower Manhattan.

In 2012, the De Soles sued Freedman and the gallery for selling them a fake [Mark Rothko](#) painting for \$8.3 million in 2004, seeking \$25 million in damages. Freedman has always maintained her innocence, claiming that she was misled by Long Island dealer [Glafira Rosales](#), who pleaded guilty to fraud in 2013 and is currently awaiting sentencing. Rosales commissioned the paintings from Pei-Shen Qian, a Chinese immigrant then living in Queens, who fled to China.

The gallery sold fake paintings by an array of blue-chip artists such as [Jackson Pollock](#) and [Mark Rothko](#) for fifteen years, from 1994 to 2009. After a slew of forgery accusations came to light, the 165-year-old gallery abruptly closed its doors in 2011. Five lawsuits brought by other buyers have also been settled; four suits are still await trial.

"Ann is pleased to be able to reach this settlement," Freedman's lawyer Luke Nikas told the *New York Times*. "From the very beginning of these cases, Ann never wanted to keep a penny of the profits she made [selling the fake works]."



A courtroom sketch of Domenico De Sole on the witness stand with the fake Rothko painting he bought from Knoedler gallery.

Photo: Elizabeth Williams, courtesy ILLUSTRATED COURTROOM.

In December, Freedman and Knoedler [reached an out-of-court settlement](#) over a \$4 million fake [Willem de Kooning](#) painting, putting an end to one of the two lawsuits against the gallery that were due to go to court in January.

This past Friday, accountant Roger Siefert provided [insights into the gallery's finances](#) when he testified that the gallery was not profitable apart from the sale of the Rosales forgeries, which netted Freedman \$10.4 million in commissions.