

## Deal assures S.F. keeps most of disputed art

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Most of the M.H. de Young Memorial Museum's renowned compilation of Oceanic art will remain in place now that a deal has been signed ending an inheritance dispute that had threatened to dismantle the collection and force the sale of parts of it.

But some pieces that had been on display at the museum - including a striking shock-haired figurine used to top a sacred flute estimated to be worth more than \$1 million - are currently on the auction block. That piece and others will be sold to help settle a cross-country legal drama that involved sweeping philanthropy, a bitter internecine spat over money, and a \$25 million loan from Sotheby's that helped amass what is considered the world's most important private collection of tribal objects from Papua New Guinea.

The bottom line for the public is that 29 pieces that had been among the 398 on display at the city-owned de Young museum after being donated by New York philanthropists John and Marcia Friede have been removed for sale.

Those 29 are among 124 that had been pledged to Sotheby's as collateral for a loan to the Friedes. Museum officials were aware that Sotheby's had a claim to at least 88 of those items before the collection was unveiled at the rebuilt de Young in 2005, court documents show.

"We believe that under these very complex circumstances, we achieved the best possible result for the museum and the public," said John Buchanan, director of San Francisco's Fine Arts Museums, which includes the de Young. The "collection at the de Young will continue to be an unparalleled example of the masterworks of Papua New Guinea to be shared with current and future generations."

Under legal settlements the city attorney's office recently released to The Chronicle, the de Young gets clear title to 274 of 398 pieces at the museum - everything except those works that had been put up as collateral to Sotheby's.

### Large collection

The Friedes had collected more than 4,000 pieces of New Guinea tribal art over four decades and promised the prized works to the de Young in a series of agreements dating to 2003.

The museum specifically designed an 8,000-square-foot gallery named for the couple to house the collection when it rebuilt its Golden Gate Park home.

The artwork, named the Jolika Collection after the first letters in the Friedes' three children's names, was to be transferred over a period of years.

But the couple also used the works to secure loans from Sotheby's to acquire more pieces and, at the insistence of John Friede's brothers, put the collection up as collateral in an inheritance dispute following the 2005 death of their mother, Evelyn A.J. Hall, sister of publishing tycoon Walter Annenberg.

The result was a series of legal battles in California, New York and Florida.

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San Francisco City Attorney Dennis Herrera went to court in September 2008 to prevent John Friede's two brothers from seizing the collection and selling parts of it to raise up to \$20 million after a Florida judge ruled that Friede had violated the terms of a legal settlement involving their mother's estate. Friede was to pay his brothers \$30 million after their mother had loaned him millions before her death. He values the entire collection at about \$300 million.

## Issues resolved

The newly released settlement documents indicate the legal issues have been resolved. The documents were heavily redacted in places, including references to dollar amounts, specific pieces of art and conditions on sales, but indicate that artwork that had been displayed at the museum could be auctioned by Sotheby's to pay off the estimated \$16 million to \$18 million John Friede says he still owes the auction house.

The documents indicate the city paid an unspecified amount to get clear ownership of 168 works at the museum, on top of the 106 collection pieces the de Young indisputably owns. Attorneys for the city say the deal protects the majority of the works, may shield many more and avoids the uncertainty of a trial.

"You have to remember the context of this lawsuit," Deputy City Attorney Adine Varah said. "There was a Florida court order authorizing the brothers to seize the works in the museum and liquidate them to pay their debt. This is about preserving and protecting the collection for the public."

Under the settlement, the remaining \$5.65 million from the \$30 million that John Friede owed his brothers was paid from three sources: John Friede's one-third share of the Pierre Bonnard painting "Le déjeuner" that he owns with his brothers; a portion of a roughly \$4 million payment from his mother's estate that was to go to the de Young to pay for upkeep, promotion and study of the Jolika Collection but instead went to purchase 168 of the works; and proceeds held in escrow from the sale of some works not housed at the museum.

## No taxpayer funds

City attorneys stressed that the money used to secure the collection was from a charitable contribution from Friede's mother's estate.

"We're not talking about taxpayer funds," Varah said.

John Friede said he hoped additional donors could be found to pay the museum for the endangered pieces rather than have them sold to pay his debt.

"There is the very hopeful possibility that the museum will not use objects to pay it off but will find the money to avoid further diminishing the collection," Friede said. "I would love for none of them to sell."

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<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/04/14/MN831CU8SO.DTL>

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