

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

RENAISSANCE ART INVESTORS, LLC,

Plaintiff,

-against-

MORETTI FINE ART LTD a/d/b/a MORETTI FINE
ART and FABRIZIO MORETTI,

Defendants.

Index No. _____

COMPLAINT

Plaintiff designates New York
County as the place of trial

The basis of venue is: CPLR § 503

Date Summons filed with the clerk of
the court: June 2, 2011

Plaintiff RENAISSANCE ART INVESTORS, LLC ("RAI"), by and through its undersigned counsel, Buchanan Ingersoll & Rooney PC, as and for its Complaint against Defendants MORETTI FINE ART LTD a/d/b/a MORETTI FINE ART and FABRIZIO MORETTI (Defendants singly or together "Moretti") alleges as follows:

NATURE OF CASE

1. Two Sculptures owned by RAI were unlawfully taken from RAI and absconded away to Europe without RAI's knowledge or consent. Since early 2008, after RAI learned of the theft of its Sculptures, RAI notified the Art Loss Register ("ALR"), who thereafter registered the Sculptures as stolen on the ALR's international database.
2. For over three years, the stolen Sculptures remained secreted away. In March, 2011, the stolen Sculptures surfaced when the ALR located them being offered for sale by Moretti at TEFAF Maastricht, a renowned fine art fair in The Netherlands, and notified RAI accordingly.

3. RAI immediately contacted Moretti and demanded that the Sculptures be returned to their rightful and lawful owner, RAI. Moretti has refused, and continues to refuse, to return the Sculptures to RAI, thereby placing in controversy the ownership and possessory rights of the Sculptures.

4. Fearing Moretti would remove the Sculptures from TEFAF Maastricht and sell them through underground art channels or unlawfully sell the Sculptures to someone attending TEFAF Maastricht, RAI commenced emergency proceedings in The Netherlands to seize the Sculptures and hold them safe until RAI's ownership rights could be vindicated through an appropriate judicial system. A court in The Netherlands directed that the Sculptures be seized, and they are currently being held by a bailiff.

5. RAI brings this action against Moretti seeking, *inter alia*, a declaration that RAI is the rightful owner of the Sculptures, an order requiring Moretti to return the Sculptures to RAI, and compensation for the losses Moretti's actions have caused.

PARTIES

6. Renaissance Art Investors, LLC and Old Master Properties, LLC are limited liability companies duly organized under the laws of the State of Nevada.

7. RAI maintains a business address in New York City, New York.

8. On information and belief, Moretti Fine Art Ltd. a/d/b/a Moretti Fine Art is a business owned by Fabrizio Moretti.

9. Moretti has an art gallery at 25 East 80th Street, New York, New York.

10. Moretti exhibits and sells art from its New York gallery.

11. Moretti's website, *inter alia*, describes the New York City gallery location, identifies Mr. Moretti's role as President and advertises various art exhibitions

and art fairs the Moretti galleries have curated or attended, including those in the State of New York.

12. Moretti exhibits art throughout the world, including at its gallery location in New York City. For example, in New York in 2010, Moretti co-curated and presented with Andrew Butterfield an exhibition entitled "Body and Soul," which presented great masterpieces of Italian renaissance and baroque sculpture. In 2011, Moretti again collaborated with Andrew Butterfield to present an exhibition at Moretti's gallery in New York City entitled "Agony, Ecstasy, Ivory and The Saint Sebastian of Agnesius, A Rediscovered Masterpiece," which also centered around a rare sculpture from the Renaissance era.

13. On information, Moretti is a member of CINOA. CINOA is the principal international umbrella organization of leading art and antique dealer associations and represents 5,000 affiliated dealers from 32 associations in 22 countries. As a member of CINOA, Moretti is bound to adhere to reputable standards of quality and expertise.

14. This Court has jurisdiction over this matter pursuant to CPLR § 301 and § 302 because the corporate defendant is either domestic or duly licensed foreign corporations, Moretti is doing business within the State of New York, Defendants regularly transact business within the State of New York, Defendants have committed tortious acts within the State and/or Defendants have committed tortious acts without the State causing injury to persons or property within the State.

15. Venue is proper in this Court pursuant to CPLR § 503, among other provisions of Article 5.

BACKGROUND

RAI Acquires the Sculptures

16. RAI was formed as of December 12, 2005 for the purpose of acquiring and selling Old Masters and Renaissance art.

17. Effective on or about April 14, 2006, RAI and a gallery known as the Salander-O'Reilly Galleries (the "Gallery") entered into a series of transactions, as a result of which RAI acquired ownership of a portfolio of Renaissance art work, including Old Master paintings, drawings, sculptures, reliefs, tapestries, and other objects of art (the "Art Portfolio").

18. Included in one of the bills of sale through which RAI acquired the Art Portfolio were two terracotta statuettes, 'Pair of Female Busts,' both made by the artist Prospero Clemente, portraying busts of two women mounted on square pedestals (the "Sculptures").

19. Pursuant to the terms of a written Consignment Agreement, RAI consigned the Art Portfolio to the Gallery.

20. To memorialize and publish to the world RAI's ownership of the Art Portfolio and its consignment to the Gallery, contemporaneously with the closing of its acquisition and execution of the Consignment Agreement, RAI filed UCC financing statements with the State of New York. The UCC financing statements specifically itemized the Sculptures as among the works of art RAI owned.

RAI Learns that the Sculptures Had Been Stolen

21. In 2007, amid gathering clamor that one of the Gallery's proprietors, Lawrence Salander, had engaged in potentially criminal activity vis-à-vis investors and

consignors (of which Mr. Salander was later indicted and convicted), RAI learned that numerous works of art from its Art Portfolio were missing. RAI demanded that the Gallery return to RAI the entire Art Portfolio.

22. When the Gallery failed to return the Art Portfolio to RAI, RAI commenced legal proceedings against the Gallery, Mr. Salander, and his limited liability company. RAI's claims were later consolidated with other suits pending in and claims made against Mr. Salander and the Gallery in the Supreme Court of New York, County of New York.

23. In filings made in the consolidated actions, RAI specifically identified the works of art it owned and that should be returned to RAI. The Sculptures are among the works of art RAI specifically identified.

24. The Supreme Court of New York entered a series of injunction orders, which ultimately resulted in the Gallery being padlocked by the New York County sheriff.

25. Two of these orders contained injunctions directed specifically at art houses and galleries in Europe. Pursuant to these orders, none of RAI's art (as specifically identified in the consolidated action) were to be bought, sold, transferred or otherwise moved in any manner.

26. The legal proceedings against Mr. Salander and the Gallery and the actions taken by the Supreme Court of New York were highly publicized not just in the State of New York but abroad as well.

27. On information and belief, Moretti is and was fully aware of the legal proceedings against Mr. Salander and the Gallery, not just as a result of the heavy

publicity but also as a result of Moretti's close relationship and repeated collaborations with Andrew Butterfield, who was a senior level executive with the Gallery prior to its collapse.

RAI Lists the Sculptures on the Art Loss Register

28. After the Supreme Court of New York padlocked the Gallery's doors, bankruptcy proceedings commenced with respect to Mr. Salander and the Gallery, respectively. As part of the Gallery's bankruptcy, a complete inventory of all works of art then in the Gallery's possession was prepared. The Sculptures were determined to no longer be in the Gallery's possession.

29. Thereupon, in early 2008, RAI reported the Sculptures to the Art Loss Register.

30. The Art Loss Register originated from The International Foundation for Art Research (IFAR), a not-for-profit organization based in New York. In an attempt to deter international art theft, IFAR established an art theft archive in 1976 and began publishing the "Stolen Art Alert." Ten years later, it was apparent that recoveries would only materialize if the over 20,000 manual records then in existence were computerized and the database made available to worldwide law enforcement agencies and diligently searched against auctions and public art fairs. Hence, the ALR was born. The ALR is now the world's largest private online database of lost and stolen art, antiques and collectables.

31. Reputable art dealers are familiar with the ALR, which is widely used not just to report lost or stolen art, but also as a search tool to ascertain whether any work of

art being offered for sale has been registered as lost or stolen and, as a result, free and clear title to that work of art cannot pass to any buyer.

32. On belief, Moretti is fully familiar with and utilizes the services of the ALR.

The Sculptures Surface at an International Art Fair

33. Neither RAI nor the ALR had any leads on the location of the Sculptures until March, 2011, when the Sculptures surfaced at TEFAF Maastricht, an international art fair in The Netherlands.

34. In 2000, TEFAF Maastricht was the first art fair to introduce the ALR as a component of its fair. The ALR checks whether an object being exhibited at TEFAF Maastricht appears on the ALR's list of lost or stolen art. TEFAF Maastricht claims that any objects identified by the ALR will be removed from the fair immediately.

35. When conducting its check of the works of art to be exhibited at the 2011 TEFAF Maastricht, the ALR located the Sculptures. The ALR notified the fair that the Sculptures had been reported to the ALR by RAI. The ALR also notified RAI that the Sculptures had been located and that they were being exhibited at the fair by Moretti.

36. RAI immediately contacted Moretti and demanded that the Sculptures be returned to RAI, their rightful owner.

37. Moretti refused to return the Sculptures to RAI.

38. Notwithstanding TEFAF's strict policy requiring all that art listed on the art loss registry be removed from the fair immediately, neither the ALR nor TEFAF Maastricht removed the Sculptures from the fair.

39. Fabrizio Moretti is a member of the Board of Trustees and on the Executive Committee of TEFAF Maastricht.

40. On information and belief, neither the ALR nor TEFAF Maastricht required the Sculptures be removed as an accommodation to Mr. Moretti and to preserve his and his company's reputation as allegedly reputable art dealers.

41. As a result, it was necessary for RAI to commence immediate legal action in The Netherlands to seize the Sculptures and to have them held pursuant to court order by a bailiff until RAI's and Moretti's competing claims to the Sculptures could be formally adjudicated.

CLAIMS

42. Defendants are sophisticated art dealers and traders.

43. As members of CINOA, Defendants are bound to adhere to CINOA's Code of Ethics resolved at the General Meeting in Florence in 1987, amended in Stockholmon in 1998, and in New York in 2005, which Code of Ethics "shall apply to all objects that are negotiated on the market of antique objects and art objects."

44. According to CINOA's Charter and Beliefs, CINOA is "resolutely against looting and smuggling" and "proactively supports measures which aim to eliminate traffic in stolen antiques and works of art and the illegal export of such objects." In addition to working with law enforcement agencies, CINO "supports the publicly available databases that assist in the prevention of illicit trading" in art. "As one form of support for initiatives against illicit trade, CINOA is a shareholder in the Art Loss Register." CINOA believes that "through such initiatives ... and harsh penalties on those

found guilty by due process of law” the market for stolen objects can be diminished.

<http://www.cinoa.org/page/2273>

45. Pursuant to CINOA’s Code of Ethics, Defendants are obligated, among other things, as follows:

- a. When in possession of an object about which there are serious suspicions that it was illegally imported and of which the country of origin demands that it is returned within a reasonable amount of time, to do everything that is possible to Moretti according to the laws to cooperate in returning the object to its country of origin.
- b. When buying art, to take all necessary measures to detect stolen objects and refer, among others, to registers that are published to this effect [such as the ALR] and to use such registers judiciously.
- c. To not participate under any circumstance in any transaction which can result in money-laundering operations.
- d. To check the authenticity of the objects Moretti possesses.

46. On information, Moretti acquired possession of the stolen Sculptures in 2011, approximately three years after the Sculptures had been listed on the ALR as stolen property.

47. Moretti currently has copies of the bills of sale and the UCC financing statement attesting to RAI’s purchase of the Sculptures in 2006.

48. On belief, Moretti had copies of the bills of sale and the UCC financing statement at the time it acquired the Sculptures.

49. On belief, prior to acquiring the Sculptures Moretti had searched the ALR database to determine whether the Sculptures had been reported lost or stolen or if there were any other issues that would negate passage of good title.

50. Alternatively, if Moretti did not search the ALR database, Moretti deliberately chose not to conduct the search with knowledge that good title to the stolen Sculptures could not pass.

51. Despite demand, Moretti has refused to return the Sculptures to RAI.

52. Moretti's actions have caused RAI to suffer loss and damages for which it has not been recompensed.

53. Moretti's actions rise to the level of wanton and malicious conduct for which punitive damages should be assessed.

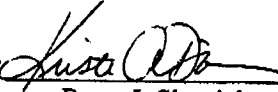
PRAYER FOR RELIEF

54. WHEREFORE, Plaintiffs pray that the Court:

- a. Declare RAI to be the true and lawful owner of the Sculptures;
- b. Order Moretti to return the Sculptures to RAI, at Moretti's sole cost and expense;
- c. Enjoin Moretti, both temporarily and permanently, from taking any action, whether directly or indirectly through other persons or entities, that would interfere with RAI's right to ownership, possession and control of the Sculptures;
- d. Award RAI damages in an amount to be determined at trial;
- e. Assess punitive damages against Moretti in an amount warranted by the circumstances;
- f. Direct Moretti to pay all costs and fees associated with RAI's efforts to reclaim its property and vindicate its rights; and
- g. Grant such other relief as is just.

Dated: June 2, 2011
New York, New York

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