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PRESS RELEASE

The United States of America, the Estate of Lea Bondi Jaray and the Leopold Museum Settle the Long-Standing Case Involving “Portrait of Wally” by Egon Schiele

New York, NY (July 20, 2010) -- The Estate of Lea Bondi Jaray (the “Estate”) announced today that the United States Government, the Estate and the Leopold Museum Privat-Stiftung (the “Leopold Museum”) have agreed to settle the long-pending case of *United States of America v. Portrait of Wally*, which was about to go to trial before Chief Judge Loretta Preska in federal court in Manhattan on July 26, 2010.

The case involves *Portrait of Wally*, a painting by Egon Schiele (the “Painting”), stolen from a Jewish art dealer and collector by a Nazi agent in the late 1930’s in Vienna. The major terms of the settlement agreement, which has been approved by Judge Preska, are as follows:

- (a) the Leopold Museum pays the Estate \$19 Million;
- (b) the Estate releases its claim to the Painting;
- (c) the United States Government dismisses the civil forfeiture action it brought against the Leopold Museum and releases the Painting to the Leopold Museum;
- (d) the Leopold Museum will permanently display signage next to the Painting at the Leopold Museum, and at all future displays of the Painting of any kind that the Leopold Museum authorizes or allows anywhere in the world, that sets forth the true provenance of the Painting, including Lea Bondi Jaray's prior ownership of the Painting and its theft from her by a Nazi agent before she fled to London in 1939; and
- (e) before it is transported to the Leopold Museum in Vienna, the Painting will be publicly exhibited at the Museum of Jewish Heritage -- A Living Memorial to the Holocaust, in New York, beginning with a ceremony commemorating the legacy of Lea Bondi Jaray and the successful resolution of the lawsuit.

The Painting was the personal property of Lea Bondi Jaray, a Jewish art dealer in Vienna, who fled in 1939 to London, where she died in 1969. The Painting became the subject of court proceedings in New York City, after it was loaned in late 1997 and early 1998 to the Museum of Modern Art in New York by the Leopold Museum as part of an exhibition of Schieles from the Leopold Museum's collection. In 1998, Robert Morgenthau, Manhattan District Attorney, subpoenaed the Painting in connection with his investigation into whether the Painting was stolen property. After the State Court of Appeals ruled in 1999 that such “seizure” of an artwork loaned for exhibition was prohibited under New York State law, the United States Government immediately commenced a civil forfeiture action in New York, alleging that the Painting was stolen from Lea Bondi Jaray during the Nazi era by a Nazi named Friedrich Welz, and was

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imported into the United States in 1997 by the Leopold Museum in violation of U.S. law. The Customs Service seized the Painting in connection with that action. The Estate of Lea Bondi Jaray asserted a claim to the Painting in the action, and the U.S. agreed that upon forfeiture of the Painting, it would transfer to the Estate all right and title to the Painting.

Based on the evidence presented during the case, Judge Preska ruled last fall that the Painting was the personal property of Lea Bondi Jaray and that it was stolen from her in Vienna in the late 1930's by Friedrich Welz, who was a member and collaborator of the Nazi party. The Court found that the Painting had been seized from Welz by U.S. Forces in Austria after World War II and delivered in 1947 to the Austrian Federal Office for the Preservation of Historical Monuments (the "Bundesdenkmalamt"), along with paintings Welz had acquired from Dr. Heinrich Rieger, a Jewish art collector who had perished during the Holocaust. In 1950, the Bundesdenkmalamt delivered artworks to an agent for the Rieger heirs and included the Painting in the delivery. Later that year, the Rieger heirs sold their works to the Austrian National Gallery (the "Belvedere"), and the Painting was included in the delivery of the artworks to the Belvedere. In 1954, the Belvedere traded the Painting to Dr. Rudolf Leopold. In 1994, Dr. Leopold transferred the Painting to the Leopold Museum.

In a statement, representatives of the Estate expressed their appreciation at reaching this historic settlement, which reflects the true value of the Painting, and acknowledges Lea Bondi Jaray's ownership of the Painting and her and her family's long quest for justice. In addition, they underscored that the public display of the Painting at the Museum of Jewish Heritage in New York will mean that visitors will be able to view the Painting in a setting that memorializes the sufferings of so many in the Holocaust and the resilience and resolve of those who escaped and/or survived. They added that the permanent signage reflecting the Painting's true provenance will ensure that future generations are told the real story of the Painting's theft from Lea Bondi Jaray during the Nazi era.

In conclusion, the Estate representatives said: "Justice has been served. Finally, after more than 70 years, the wrongs suffered by Lea Bondi Jaray are at last being acknowledged and, to some degree, corrected. We are grateful to the many people who helped Lea and her family during these many years. We especially thank our attorneys at Herrick, Feinstein, and all the members of the Asset Forfeiture Unit team of the U.S. Attorney's Office, led by Assistant U.S. Attorney Sharon Cohen Levin, for their unstinting dedication to the pursuit of justice during the long course of this litigation."

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