

**From:** "jeffrey E." <jeevacation@gmail.com>  
**To:** Heather Gray <[REDACTED]>  
**Subject:** Re:  
**Date:** Thu, 22 Jun 2017 12:54:50 +0000

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thx. are you planning to sell anything else soon.

On Thu, Jun 22, 2017 at 8:51 AM, Heather Gray <[REDACTED]> wrote:

We don't buy the insurance when we loan to museums - the museum pays for it. Yes, we have a full insurance appraisal as well as a full fair market value appraisal.

The Braque and Giacometti values were the fair market values - we pretty much use the fair market values for everything we do. The only exceptions are for museum exhibitions and if we have to make a claim on Leon's own insurance (I.e., if a work of art or a piece of jewelry is damaged or stolen/lost).

I'm not sure why the Giacometti result was low yesterday. Larry told Leon that he only showed the sculpture to a select group of purchasers, but we had heard rumors that it was being more widely offered, so it's hard to tell. The auction overall wasn't great - only a few really great pieces and as Leon and I discussed yesterday, it seems like a mistake on Sotheby's part to hold that separate sale of lesser valued works right before the sale with the important works. Sotheby's also had a much smaller Giacometti sculpture (12 in) which was not nearly as important as ours early on in the sale that was estimated at something like 700,000-1 million and sold for 1.8 million (plus buyer's premium). Which at first seemed to bode well for our Giacometti, but I was thinking last night that it actually may have made ours look overpriced by comparison. I'm going to ask Amy Cappellazzo at Sotheby's what she thinks went wrong (Leon has probably already spoken to her, so he may have some insight). I also want to find out if the buyer is the person who asked for extended payment terms. I'll let you know what I find out.

Sent from my iPhone

On Jun 22, 2017, at 8:36 AM, jeffrey E. <jeevacation@gmail.com> wrote:

so do we buy excess insurance for exhibits etc. . do we have a full appraisal for insurance as well as fair market. ? im unclear sorry, . the 8 million braque appraisal . was insurance value or fair market , what were the two giamcometti values. . is it your view that gagosian burned the sculpture? not what i do. sorry

On Thu, Jun 22, 2017 at 8:19 AM, Heather Gray <[REDACTED]> wrote:

We insure the bank collateral art at fair market value, so once we raise the bank line to \$800 million of available cash/\$1.6 billion of collateral we will need to give the bank a letter from our insurance broker showing that we have \$1.6 billion of coverage.

Barry mentioned the dealer idea. Interesting and definitely a longer discussion.

Sent from my iPhone

On Jun 22, 2017, at 8:12 AM, jeffrey E. <jeevacation@gmail.com> wrote:

great then how much insurance do we carry on the bank collateralized art . not urgent , I m thinkin whether or not we should set up a dealer operation for better overall treatment for only certain works. it

is a longer discussion that requires long term views, basis analysis, and ownership transfer issues. we would have a resale number and be capable of trade ins etc.

On Thu, Jun 22, 2017 at 8:08 AM, Heather Gray <[REDACTED]> wrote:

We give the bank fmv (because that is what they require) and we use fmv for Noel Calb. The difference varies - some specialists put insurance at 150% of fmv, some go slightly lower or slightly higher. There is no hard and fast rule. They are supposed to be considering what it would cost to go to a gallery today to buy the same work or art or something very similar.

Sent from my iPhone

On Jun 22, 2017, at 7:49 AM, jeffrey E. <[jeevacation@gmail.com](mailto:jeevacation@gmail.com)> wrote:

what do we give to the bank/ ? how much do they differ from insurance value? which did we use for noel calb?

On Thu, Jun 22, 2017 at 7:19 AM, Heather Gray <[REDACTED]> wrote:

The insurance values are higher because they are retail replacement values. Fair market is the standard IRS definition: the price a willing buyer would pay a willing seller, neither under any compulsion to buy or sell.

We use fair market values for almost everything - all sales, transfers among entities, etc.

We use the insurance values when we loan works of art to museums for exhibition and, unrelated to museum lending, if we have to make a claim on Leon's insurance for a work that has been damaged (for example, that Picasso that was damaged at 760 last year). Museums insure the works they are borrowing in transit and during the exhibition and we give them the insurance value for the work in that case.

Did Leon receive Christie's insurance appraisal yesterday instead of the fair market value one? Our assistant may have put the wrong appraisal in the package. I have an extra copy of the fair market value appraisal that I can send over to him this morning, if that is the case.

Sent from my iPhone

On Jun 22, 2017, at 7:05 AM, jeffrey E. <[jeevacation@gmail.com](mailto:jeevacation@gmail.com)> wrote:

how did they differ ? which did we use for noel calb for ex

On Thu, Jun 22, 2017 at 6:55 AM, Heather Gray <[REDACTED]> wrote:

They gave me both insurance and fair market value appraisals.

Sent from my iPhone

On Jun 22, 2017, at 6:38 AM, jeffrey E. <[jeevacation@gmail.com](mailto:jeevacation@gmail.com)> wrote:

Christies said that the appraisals they gave you were only for insurance purposes. not for estate valuations or fair market value ?? please talk to me re

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