

REPORT OF ANOTHER PARK WEST GALLERY PARK WEST AT SEA CRUISE SHIP ART AUCTION RIP-OFF



Stephen and Kimberly Wood tell how they were sold art which was fraudulently overpriced by Park West at Sea on their honeymoon aboard the Royal Caribbean International cruise ship *Mariner of the Seas* in May 2007

(This continues the series of case studies of reported fraudulent misrepresentation and deceptive trade practices at art auctions conducted at sea on cruise ships.)

The following is a report of a rip-off by Park West of a couple who were on their honeymoon cruise aboard the Royal Caribbean cruise ship, *Mariner of the Seas*.

Passengers

Stephen Wood, Kimberly Kenaston-Wood of Salem, Oregon.

Cruise line and ship and details of the cruise

We were on the Royal Caribbean, *Mariner of the Seas*, May 20 – May 26, 2007 for our honeymoon.

Park West Auctioneer

Arthur Scheepers – arthurscheepers@yahoo.com

What was bought?

Millennium Edition restrike of Rembrandt Van Rijn etching *The Golf Player*. This is a modern restrike made in the late 20th century, long after Rembrandt's death. Note: Rembrandt had



no part in the production of the print that was sold to the Woods. He had been dead for centuries before it was made. According to Park West's own certificate of authenticity 2,500 examples of this etching were made. In fact, according to sources who have contacted Fine Art Registry®, Park West bought the copper plates from which these etchings

were made and have the capability of producing as many of these etchings as they want to.



The Woods paid a total of \$3,153.25 for this etching

Details of the Purchase

It was a private meeting afterwards, not during the auction itself. The auctioneer told us this was an original Rembrandt. We were told that the value of the piece was around \$5,000. We made it clear our reason for purchasing the piece was for investment purposes only and that we would only want the piece if he could assure us the value would go up. He stated: 'I promise you the price will increase. In one year, if you aren't satisfied, please call me and give me the first opportunity to repurchase this piece. I expect the value to increase at least \$1,000.' He gave us his business card and again asked us to email him if we decided to sell the piece. We were told the reason the pieces were so inexpensive was because Park West was trying to bring new buyers into the market and was willing to take a loss on what they could sell the pieces for in an effort to build a new client base.

The auctioneer attempted to sell us the piece as a set of two, but we did not want two pieces. He said he would regularly sell our piece for over \$4,000, but was willing to sell it to us for the price we paid.

He told us repeatedly that this piece would appreciate in value, that it was an original piece.

Were you able to do due diligence on board before buying? Did you try? Was there any problem with that?

No. Unfortunately, we were naive and inexperienced. We believed that if Royal Caribbean Cruise Lines allowed Park West to do business on their cruise line, then Park West must be reputable.

How did you pay for the art? Have you paid off the credit cards?

We opened a Park West credit card. We have not made any payments at this time. We have disputed the charges.

Have you received the art? Any problem with the shipping or delivery?

We received the art and did not have any problems with shipping or delivery. However, when we received the bill, we noticed that we were charged for appraisals for all the pieces including the free art they sent. Kimberly called them and after three phone calls, was able to get the charges removed. We sent several emails to the auctioneer, but he failed to respond.

What led you to suspect that there might be something wrong?

We were getting ready to go on a vacation to celebrate

our one year anniversary. Because we had been told the piece would appreciate at least \$1,000 in the year we had it, I decided to get online and see if I could find anything that referenced the value. What I saw shocked and upset me tremendously. I found information after information that the piece we purchased was not what we were told it was and, in fact, appeared to be part of a scam that Park West has perpetrated on many unsuspecting, naive people like us.

What research have you done in the pieces you bought? What did you find?

First, I contacted a local art gallery and spoke with the purchaser for the gallery. She told me that she could not give me a value for the piece as it was basically a scam. She was unable to help me other than to say she thought the piece MAY be worth around \$200, but that was being generous. We then contacted an individual in this state who is licensed/accredited to do appraisals. We sent him all our information as well as spoke several times with him. In essence, what he told me on the phone is that Park West is very tricky. The deception lies in the way they word things. The appraisal value represents the 'replacement value' that Park West states they would pay to replace the piece. The irony is that they will never have to replace it so they can place any value they wish on the appraisal. The appraisal is not performed by an independent appraiser.

What I learned is that this is not a qualified appraisal as the appraiser is a party to the transaction and that is according to the Federal Government (IRS).

What we should have received was a Fair Market Value of the piece, which would show the value to be around \$200-\$400. Of course, Park West will never acknowledge this as it would put an end to their scam.

Stephen and Kimberly are now members of Fine Art Registry and provided us with details of their purchase and asked for help. Fine Art Registry was able to supply the following, based on information received from anonymous sources within Park West: the cost to Park West of the exact piece they sold to the Woods was between about \$225 and \$390, but much more likely at the lower end of that range. From another source, it has been reported to Fine Art Registry that Park West own the copper plates from which these etchings were made. This is not part of the information provided by Park West in their certificate of authenticity or appraisal of the piece.

What dealings have you had with Park West customer services or executives since then? Have you asked for a refund? Have you asked for documentation of the provenance (history of origin and ownership) of your

pieces? If you have dealt with Park West customer services or others, how were you treated? How did they handle your complaint?

We have contacted Park West's customer service. They are good. They do an excellent job of talking you in circles. They claimed that any information on the internet is erroneous as well as Fine Art Registry being 'out to get them.' For what reason Fine Art Registry is out to get them, they couldn't say. They told us that they would not refund our money, that the sale was valid and that they did not 'purchase' art (hmm... how did they get their inventory????).

When I spoke with Laura Maki in customer service, she indicated the value of the piece far exceeded the \$4,950 appraisal value. In response, I requested that she take the piece back, if it truly was so valuable, and sell it at a profit to some "experienced" collector. This seemed like a reasonable resolution to me and one would think that in the interest of maintaining customer satisfaction and to minimize bad publicity, they would jump at such an offer. Who wouldn't ---- if anyone offered to resell something I sold them for the same amount I sold it to them for and I KNOW I can sell it for a profit, what company would not seek to maximize their profit? The only reasonable explanation for not doing so is that the value is a farce.

I've called Park west four or five times and have gotten nowhere. The last phone call I finally got a flat out NO. We filed a complaint with the Federal Trade Commission online. Kim found out she knows an attorney that works for the FTC. We are going to file with the Attorney General of Oregon. I have sent an e-mail to the class action lawsuit, stating our case and that we wanted to join the lawsuit. Told all this to Park West and they seemed unaffected.

What led you to contact Fine Art Registry? How do you feel you have been treated by Fine Art Registry?

I found Fine Art Registry when I was searching for the value of the piece we have. We have been treated fine. I must confess that I thought we would get more direction and assistance, but I realize it is early in the game.

Who else have you contacted about your purchases? What did they tell you?

We also contacted Royal Caribbean and spoke with a supervisor in their home office customer service. I was told that they were sorry we were disappointed, but that they had no control over Park West's practices.

When I suggested that they did, given that they allow Park West to be on their cruises, they refused to offer any assistance. They were informed we will never cruise with them again, and we will tell everyone we know to avoid their cruise line. I'm guessing it will cost Royal Caribbean far more than the price of the artwork we were scammed.

What are your plans with regard to this situation?

We will be in contact with the Oregon State Attorney General's office as well as the Federal Trade Commission. I have a friend who is an attorney for the FTC and I am going to see if I can get hold of him. Perhaps he will be able to help. We will join any class action suits which are formed. We will also work with Fine Art Registry to bring our story to the media, including the major TV program which we have been told is looking into doing an investigation into Park West.

Any advice you have to other people in your situation? To would-be buyers of art at on-board art auctions?

I guess the best advice I can offer is to not make major investments on the open seas - whatever it is you are buying or who you are buying from. Those who sell on the open seas do so to avoid US laws. I personally would discourage anyone from cruising with Royal Caribbean as their lack of protection for their customers and the fact that they bring Park West to their customers is reprehensible.

Fine Art Registry will follow the progress of the Woods in their attempt to right the rip-off by Park West auctioneer Arthur Scheepers aboard the Royal Caribbean Mariner of the Seas and the subsequent refusal on the part of Park West to right the reported fraudulent misrepresentation on the part of their sales person.

The Park West Certificate of Authenticity and appraisal and the letter from Stephen and Kimberly demanding a refund are included. ☞

Appraisal

Stephen F Wood
5055 Terrylee Court S.E.
Salem, OR 97306

07/24/2007

The following work of art has been examined by Park West Gallery.

The current Park West Gallery retail replacement price for this work, including its frame, is:

Rembrandt Van Rijn
The Golf Player
1654

Registration No: 131338.1595

Appraised Value: \$4,950 US

B., Holl. 125; H. 272; BB 54-A
3 11/16'' x 5 9/16'' plate size
12 7/8'' x 9 3/4'' sheet size

Etching on Ingres d'Arches off-white laid paper (watermark) with large margins. Signed and dated in the plate (bottom left). The second state according to Bjorklund, the third state according to Nowell-Eusticke. A 20th Century impression printed by Marjorie Van Dyke. From the 'Millennium' edition limited to 2500 examples.

This superbly printed etching with strong contrasts, selective wiping and fine shading, was pulled from the original plate as created by Rembrandt in 1654. The plate, formerly in the collection of Dr. Robert Lee Humber (along with 77 other original Rembrandt etching plates) had been on loan to the North Carolina Museum of Art in Raleigh, N.C. since

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ALBERT SCAGLIONE
Director



Appraisal

Stephen F Wood
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Salem, OR 97306

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the early 1960's. Upon Dr. Humber's death in 1970, his heirs sold the collection of plates to museums throughout the world, and a select group of private collectors in 1993. The late master printer, Emiliano Sorini spent two years proofing the plate for this etching and along with Marjorie Van Dyke carefully studied various states and proofs of the etchings created from the plate of "The Golf Player." This experience provided Ms. Van Dyke, who eventually took over the project, the knowledge and insight to create impressions from the copper plate and gave her direct observation of the dry-point and burin lines, burrs and subtle nuances of the copper plates that Rembrandt had etched. In creating this impression, Ms. Van Dyke commented, "Because of Rembrandt's mastery of the chiaroscuro technique imparted to him by the work of Caravaggio, careful attention has been paid to the lights and darks of the copper plates to avoid any over-wiping which may render the images more stark than Rembrandt intended... I feel as though we have been granted an opportunity to conduct a dialog with Rembrandt, and have adhered faithfully to Rembrandt's intent, vision and printing technique." Consequently, as a result of the expertise and delicate and painstaking work of Ms. Van Dyke and Emiliano Sorini, this impression surpasses in richness, quality and subtlety the impressions pulled from

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the plate in the last two centuries by the previous owners.

The 17th Century game "Kolf," which lent its name to the modern game of golf was extremely popular in Rembrandt's lifetime. Rembrandt's use of chiaroscuro in this etching with the strong contrast of interior and exterior reveals his ability to selectively use areas of light and shade to focus the viewer to the interior sitter. This amusing and delightful genre scene of 17th Century Amsterdam was created the same year that Rembrandt's mistress, Hendrickje Stoffels gave birth to their daughter, Cornelia.

This Appraisal is subject to the terms and conditions set forth on the reverse side hereof.


ALBERT SCAGLIONE
Director



Certificate of Authenticity

According to the terms of the guarantee on the verso of this certificate, we guarantee the authorship of the following work of art:

Registration No. 131338.1595

Rembrandt Van Rijn

The Golf Player

1654

B., Holl. 125; H. 272; BB 54-A

3 11/16" x 5 9/16" plate size

12 7/8" x 9 3/4" sheet size

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Certificate of Authenticity

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Director



TERMS OF GUARANTEE

The following terms and conditions govern our Guarantee

Definition of Authorship. "Authorship" means the identity of the creator, the period or cultural source of origin of the property, as the case may be, as set forth in the first line of the description of the artwork. For sports memorabilia items, "authorship" means the identity of the featured athlete whose signature is affixed to the item.

Guarantee Coverage. If within five years of the date of sale of any lot, the original purchaser of record tenders to us a purchased lot in the same condition as when sold through us and it is established that the identification of Authorship (as defined above) is not substantially correct based on a fair reading of the written description which may be contained in the auction catalog, then the sale of such lot will be rescinded and the original price refunded.

Non-Assignability. It is specifically understood that the benefit of this Guarantee is not assignable and shall be applicable only to the original purchaser of the lot from us and not to the subsequent owners or others who have or may acquire an interest therein.

Time Limit of Liabilities. With the sole exception of claims under Definition of Authorship and Guarantee Coverage described above, any lawsuit by purchaser asserting any claim whatever relating to artwork purchases **shall not be maintainable unless filed within nine months after the invoice date shown on the purchasers' invoice.**

Exclusions. The Guarantee covers only the correctness of descriptions of Authorship but does not extend to titles or other identification of offered lots or descriptions of physical condition and size, quality, rarity, importance, provenance, exhibitions and literature of historical relevance, which information appears on the registered Certificate of Authenticity in lower case type below the first line of each entry identifying the Authorship.

Although our best judgment is used in descriptions and the appropriate use of terms, and due care is taken to ensure the correctness of the supplemental material which appears below the first line of each entry on the registered Certificate of Authenticity, the Guarantee does not extend to any possible errors or omissions therein.

Sole and Exclusive Remedy. In no event shall the consignor or Park West Gallery® be liable for any incidental or consequential damages including but not limited to alleged loss of profits or loss of increase in value. We do not assume any liability for: (i) insurance losses, or (ii) claims for refunds or money damages; based on a claim that our appraised value is too high, too low or otherwise inaccurate in any respect. It is further specifically understood that the remedy set forth herein, namely the rescission of the sale and refund of the original purchase price paid for the lot is exclusive and in lieu of any other remedy which might otherwise be available as a matter of law.

Stephen & Kimberly Wood
5055 Terrylee Court SE
Salem, OR 97306

April 22, 2008

Park West Galleries
Attn: Laura
FAX: 248-799-7225

Re: Acct. 422-6011-0171-7242
Purchase of Rembrandt etching, The Golf Player

This is a follow up to our telephone conversation this morning.

In May, 2007, we were pressured into purchasing the above referenced artwork with some lesser valued pieces. We were told several times by the auctioneer that the value of the piece would increase by \$1,000 at a minimum in one year and that if we wanted to resell it, to please contact him as he would like the first option to repurchase the piece. We received the piece as well as an appraisal stating the value at \$4,950.

It is now one year later and we have decided to take another cruise. For whatever reason, I decided to see if I could find the value of the piece online. What I found shocked and upset me. I learned from several websites that the value of the piece is nothing, and in fact, may not even be a Rembrandt.

Upset, I contacted our city art association who referred me to an art appraiser. When I spoke with her on the phone, she knew very well about the "cruise auctions" and said that she didn't even need to see the piece. She would not be able to give me an appraisal. She indicated that some were not even Rembrandts. This supports what I was reading online. She had no knowledge of that information, because I didn't tell it to her when I spoke with her. However, her assessment matched what I am finding.

As such, we hereby request that you remove all charges from this credit card, close the account and pick up the art work immediately. I wish this matter to be concluded by the close of business on May 2nd.

If it is not, I will be going on my cruise in May and I will promise you that I will make the auction very uncomfortable. I will make sure to tell every person I see on the cruise NOT to purchase from Park West, that Park West inflates the value of the art work, and fails to stand by their guarantee to repurchase the art work if you wish to sell it.

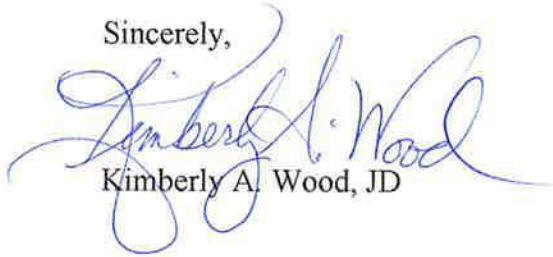
When we spoke, Laura, you indicated this particular piece far exceeds the value you have appraised it, which was \$4,950. If that is true, you should be happy to get the piece back for the value of \$3,153.25. If it is not, it confirms that you indeed inflated the value of the artwork.

I have outlined our terms. Please confirm in writing by the 2nd of May that the matter has been taken care of.

You may reach me Monday through Friday at 503-581-1920 between 8:00 am and 5:00 pm PST. You can fax confirmation to me at 503-399-0823.

Thank you for your time and assistance in this matter.

Sincerely,



Kimberly A. Wood, JD