

COIN WORLD

Avoid procrastination

By **Armen R. Vartian** | 03-08-13

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Recently, a federal Court of Appeals in New York considered a lawsuit against Christie's by William Koch, a billionaire businessman and ancient coin collector, relating to rare bottles of wine.

The bottles bore the initials "Th.J.," and were described as having been once owned by Thomas Jefferson, and were purported to have been discovered in a bricked-up wine cellar in Paris in the mid-1980s by Hardy Rodenstock. Jefferson was U.S. minister to France during the late 1790s and, as the court noted, his "zeal for wine is well-documented in the historical record."

Court complaint

According to Koch's complaint, Rodenstock had a "symbiotic relationship" with J. Michael Broadbent, the then-head of Christie's wine department, who began promoting the bottles as genuine in advance of a 1985 wine sale. Koch alleged that when Broadbent contacted the Thomas Jefferson Foundation at Monticello before the sale, the foundation's resident historian was skeptical and Broadbent himself noted privately that there was "no actual proof" that the wine was connected with Jefferson.

Christie's catalog played up the Jefferson connection and a bottle of "1787 Th.J. Lafitte" sold for \$156,000, then a record.

In 1988, Koch bought three bottles of "Th.J." wines from Rodenstock at a price in excess of \$300,000, but over the next few years began to see newspaper articles addressing issues regarding the cache's authenticity.

After his attorneys' investigations proved inconclusive, Koch sent samples of the wine to Woods Hole Oceanographic Institution in 2000 to be carbon dated. Woods Hole testing indicated only a 4.6 percent chance that the wine was from 1740 to 1800, when the bottles were actually dated.

Still, Koch took no action until he received a copy of the Monticello report in 2006, after which he sued Rodenstock. Koch sued Christie's in 2010, after his investigators tracked down German engravers who allegedly admitted to having carved "Th.J." into the bottles.

Statute of limitations

Christie's contended that Koch's suit was beyond the four-year statute of limitations, and the Court of Appeals agreed, beginning its opinion by saying: "For wine, timing is critical. The same is true for causes of action."

The question was when Koch had "inquiry notice" of his claims, i.e., when he was in a position to have taken action against Christie's. The court found that for Koch the "storm clouds" were visible no later than 2000, when he received the Woods Hole report.

At that point Koch should have begun asking questions, and at the very least should have contacted Monticello to obtain the complete report.

Significantly, Koch waited more than four years after obtaining the Woods Hole report — more than the entire statute of limitations — before taking any action

whatsoever.

For Koch, another unhappy ending — in 1999 he had to return \$3.2 million of ancient coins he had purchased from a Munich dealer, after the government of Turkey claimed they had been looted and weren't legal to own.

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