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L.A. CITY ATTORNEY ROCKY DELGADILLO FILES CIVIL CHARGES IN VALLEY ART AUCTION FRAUD

LOS ANGELES – Los Angeles City Attorney Rocky Delgadillo today announced that his office's Criminal and Special Litigation Branch has filed civil charges against two San Fernando Valley-based auction companies and their owners for selling thousands of dollars worth of phony art.

The lawsuit alleges that the Defendants engaged in a scheme to sell fake, forged, inauthentic, and grossly overpriced works of art and reproductions thereof. The Complaint further alleges that the Defendants employed false advertising; conducted illegal auctions; issued false Certificates of Authenticity; charged and retained unlawful and fraudulent fees; and used deceptive lulling tactics.

According to the Complaint, the Canoga Park-based Defendant corporations, Trustee Auctioneers, Inc. and Elmo Brothers, Inc. are owned by the same family: the Milchmans. The Complaint charges the two corporations, together with Asher Milchman, his wife Susan Milchman and his son, Morris Milchman, with violating California's Unfair Competition and False Advertising Laws, as well as distributing false Certificates of Authenticity.

The Complaint seeks an injunction to halt the Defendants' unlawful business practices, restitution for the victims and civil penalties of up to \$2,500 for each violation.

The case arises from an auction held at the Sportsmen's Lodge in Studio City on September 3, 2006. According to the Complaint, that same day, the Defendants falsely advertised in the *Los Angeles Times* a "Spectacular Fine Art Estate Auction" with original or hand-signed work by such renowned artists as Camille Pissarro, Pablo Picasso, Edouard Manet, Marc Chagall and Henri Matisse.

The Complaint alleges that the Defendants sold a father and his two daughters six "Chagall" prints for more than \$19,000, which were later determined to be cheap and unauthorized reproductions.

The City of Los Angeles has one of the largest art industries in the country, as well as the highest concentration of entertainment workers, which includes fine artists, art dealers, painters, sculptors, illustrators, multimedia artists, animators and fashion designers. Not all art crimes occur when a famous work of art is stolen from a museum. Working with the LAPD's Art Theft Detail, City Attorney Delgadillo seeks to protect this industry against con artists, thieves and other criminals who prey upon innocent purchasers of art, as well as protect the cultural and artistic heritage of the City of Los Angeles.