

# The Case of the Stolen Klimts

How the grandson of refugees from Nazi Austria used the courts of two countries to recover five masterpieces

Adele Bloch-Bauer, at least as Gustav Klimt painted her the first time, in 1907, was a narrow-faced, long-necked woman with hooded brown eyes. In the painting, her braceleted arms twist awkwardly, and she stares directly out, lips parted and unsmiling. By all accounts a woman of powerful intellect, Bloch-Bauer is an arresting subject. But what makes Klimt's portrait of her unforgettable is the swirling, intricately patterned gold of Bloch-Bauer's dress and of the chair she sits in. Klimt created a mosaic of shapes and colors to surround

Bloch-Bauer, who was rumored to be his lover. Each golden square, circle, and rectangle demands attention. Together they form a field of mesmerizing complexity.

It is an appropriate metaphor for the litigation history of this painting, which as of June 2006 became the most valuable in the world. In 1998, when the case began, Adele Bloch-Bauer I was one of the show-pieces of Austria's national museum in Vienna, an iconic example of the work of the country's greatest modern painter. Eight years later—after dogged work by a onetime Fried, Frank, Harris, Shriver & Jacobson associate named E. Randol Schoenberg, several crossings of the At-

lantic Ocean, and a trip to the U.S. Supreme Court—the case concluded with the sale of the painting to a New York City museum founded by cosmetics heir Ronald Lauder for a reported \$135 million.

For Schoenberg and his clients, the heirs of Adele Bloch-Bauer and her husband, Ferdinand, the fight over *Adele I* and four other Klimt masterpieces was a matter of justice and restitution: They maintained that in the 50 years after Nazis stole the paintings from the Bloch-Bauer family during World War II, Austria deliberately blocked their return to the family, even when the dispute reached Austrian courts. For Austria the case was a domestic inheritance dispute that, once it was transplanted to the United States, swelled grotesquely into a test of sovereign immunity in American courts. Perspective shifted when venue changed, and along with it, the balance of power in the case. *Adele I* and its com-

panion Klimts became glittering tokens of the risks—for both sides—of litigating far away from home.

t the turn of the twentieth century, Adele and Ferdinand Bloch-Bauer lived at the height of Viennese society. Ferdinand was a sugar magnate; Adele, a self-taught intellectual and arts patron. Assimilated Jews who celebrated Christmas and Easter, the Bloch-Bauers were friends of the city's brightest lights: Richard Strauss, Alma Mahler, Oskar Kokoschka—and Gustav Klimt, who painted two portraits of Adele at Ferdinand's commission.

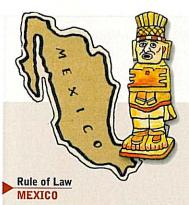
In 1925 Adele Bloch-Bauer died sudden-

ly of meningitis at the age of 43. Her will, written in 1923, made Ferdinand her sole heir. In the document, Adele addressed the question of the Bloch-Bauers' Klimt paintings directly: "My two portraits and the four landscapes by Gustav Klimt, I ask my husband to give them to the Oster-reichische Galerie [Austrian Gallery] after his death." When Adele's will was probated, her executor and brother-in-law, Gustav



ADELE BLOCH-BAUER: AN ARTS PATRON PAINTED TWICE BY GUSTAV KLIMT.

By Alison Frankel Photograph by John abbott



In his 2000 inaugural address, Mexican president Vicente Fox promised to make human rights reform a priority for his administration, including addressing problems in the country's criminal justice system. But six years later, at the end of Fox's term, human rights observers say the push for reform has lost momentum. Mexico's judiciary, which is beginning to show more independence, might be the country's best hope for improving human rights.

Corruption has long been endemic in Mexico's criminal justice system. The U.S. State Department's 2005 report on Mexico's human rights practices says that police corruption is rampant, with officers involved in kidnapping, extortion, and drug trafficking. Robert Varenik, director of programs at the Open Society Institute's Justice Initiative, worked with Mexico City Human Rights Commission data to study human rights violations committed by police officers. He found nearly 7,000 credible complaints against police during the period of 1997–2003.

Another problem involves pretrial detention. Judges have no discretion to release suspects on bail, so arrested suspects—even if they are not considered dangerous—are detained until trial, a period of imprisonment that can last from a few months to several years.

A third concern involves the use of torture—including beatings, electric shock, simulated executions, suffocation with plastic bags, and deprivation of food and water—in criminal investigations. Though technically illegal, torture still occurs in the Mexican justice system, in part because prosecutors can use coerced statements as evidence at trial. In one 2003 case, Human Rights Watch reports, seven officers in the state of Jalisco beat a suspect, partially suffocated him, and applied electrical shocks to his body until he confessed to robbing a beauty parlor.

Fox tried to address these issues. On his first day in office, he signed an agreement to work with the Office of

Bloch-Bauer, noted that the Klimt paintings were not Adele's property but Ferdinand's. Ferdinand was generous with the paintings; in 1934 he lent four Klimts to an international exhibition called "Austria in London," and he permitted Adele I to be part of Austria's pavilion at the World's Fair in Paris in 1937. In 1936 Ferdinand donated one of the Klimt landscape paintings to the national gallery. But that was the only one of the Klimts that he gave away. Ferdinand had filed a declaration in 1926 in which he stated that he intended to fulfill his wife's wishes, but he never expressed in writing a pledge to donate the other paintings specified in Adele's will.

When the Nazis invaded Austria in 1938, Ferdinand fled, ending up in a Swiss hotel where he lived from 1939 until his death in 1945. Everything Ferdinand owned had by then been seized by the Nazis on trumped-up tax charges. His mansion on Vienna's Elisabethstrasse was sold to the Deutsche Bahn, the national railroad; his porcelain collection was liquidated; his sugar factory and castle in Prague were appropriated. The Bloch-Bauer art collection made a feast for art-hungry Nazis. Records suggest that Hitler himself requested certain paintings.

In 1941 Ferdinand's nominal agent in Austria, a Nazi party member, traded two of the Bloch-Bauers' Klimt paintings, including *Adele I*, to the director of the national gallery in exchange for the Klimt landscape that Ferdinand had given the gallery in 1936. (The landscape was sold to a Nazi filmmaker.) The agent later sold the second Klimt portrait of Adele to the Austrian Gallery, and another Klimt landscape to the city museum. He kept a sixth painting, also a landscape, for himself.

After the war Ferdinand engaged a Viennese lawyer named Gustav Rinesch to recover his looted belongings. Rinesch, who continued the effort after Ferdinand's death, had some success in locating and claiming a portion of the Bloch-Bauer collections on behalf of Ferdinand's heirs, a son and two daughters of his brother Gustav. But

the Austrian Gallery was intractable. Museum officials told Rinesch that Adele had willed the Bloch-Bauer Klimts to the national gallery, which had merely lent them back to Ferdinand after her death. By the time Rinesch saw Adele's will in 1948, it was too late to challenge the museum; Ferdinand's heirs, who had all escaped from Europe, were forced to relinquish rights to the Klimt paintings held by the Austria Gallery in exchange for export licenses for lesser works. Over the next decades, through trade, purchase, and bequest, the gallery acquired three more of the Bloch-Bauer Klimts, leaving the national museum with six of Adele and Ferdinand's beloved Klimt paintings.

nd there matters stood until the 1990s, when Austria's minister of education and culture, responding to the U.S. seizure of two Egon Schiele paintings believed to have been plundered by the Nazis, opened previously restricted museum archives. An Austrian journalist named Hubertus Czernin wrote a series of articles exposing the scandalous acquisition methods of Austria's museums during and after the Nazi era, and the culture minister created a commission of museum archivists to study the records. After the commission found evidence confirming that Austrian museums had profited from Nazi looting, Austria passed a new art restitution law in 1998.

One of Ferdinand Bloch-Bauer's nieces, Maria Altmann, was then living in Los Angeles, where she and her husband had settled in the 1940s after escaping from Europe. In Los Angeles the Altmanns had befriended Eric Zeisl, a refugee Austrian composer, and his wife. When Altmann realized that she might have claims under the new Austrian restitution law-which voided coercive postwar deals like the ones in which the Bloch-Bauer heirs had waived rights to the Klimt paintingsshe contacted the Zeisls' daughter, who was married to a Los Angeles municipal court judge. That was how the Zeisls' grandson, E. Randol Schoenberg, became Maria Altmann's lawyer in the fight to recover her family's Klimts.

For Schoenberg, it was the case of a lifetime, though it didn't always seem that way. Schoenberg is the grandson of not just Eric Zeisl, but also Arnold Schoenberg, the renowned Austrian composer. He grew up hearing stories about the glory of prewar Austria, learned to speak fluent German, and visited Austria every other year. Schoenberg was an associate in Fried, Frank's Los Angeles office at the time Altmann asked him to represent her. He agreed to take the case on contingency if it ever resulted in litigation. (The siblings with whom Altmann originally shared Ferdinand Bloch-Bauer's estate had died. They each had two heirs, which meant that in 1998 the estate belonged to Altmann and four of her nieces and nephews.)

At first Schoenberg did not expect to go to court. Under Austria's 1998 restitution law, a commission working under the culture ministry would determine restitution claims. In 1999 the commission began evaluating the Bloch-Bauer's case. While Schoenberg waited for the official determination, he contacted Czernin, the Austrian journalist, who

so her will did not bind Ferdinand to donate them to the Austrian Gallery.

But Austrian researchers, who prepared a preliminary report for the commission evaluating the Bloch-Bauer claim in March 1999, concluded otherwise. Anticipating an adverse ruling from the commission, Schoenberg hired a Viennese lawyer, Stefan Gulner of Rechtsanwaltskanzlei Dr. Stefan Gulner. In June the commission returned a ruling on the Bloch-Bauer claims. As Schoenberg had feared, it determined that 16 Klimt drawings and 19 porcelain settings should be returned to the family, but the Klimt paintings should not; they had been willed to Austria by Adele. When Schoenberg requested arbitration to determine the legality of the will, he was informed that his clients' only recourse was to go to court in Austria.

That turned out to be no recourse at all. As Schoenberg and Gulner contemplated a suit to recover the paintings in Austrian courts, their problems were manifold: questions about the Bloch-Bauer heirs' right of action under the 1998 restitution law; statute of limitations concerns; and, most insurmountably, filing fees.

# THE BLOCH-BAUER HEIRS HAD TO RELINQUISH THEIR RIGHTS TO THE KLIMTS IN EXCHANGE FOR EXPORT LICENSES FOR OTHER WORKS.

sent the lawyer copies of postwar correspondence between Rinesch and museum officials. "When he sent us the documents in January 1999, I said, 'There really is something here,' " says Schoenberg, a slight man with prominent blue eyes, thin blond hair, and no shortage of confidence. Schoenberg also retained Andreas Lintl of Lintl•Kornfeind•Thalhammer, an Austrian expert in probate and estate law, to research Adele's will. Lintl's opinion confirmed what Gustav Bloch-Bauer had concluded in 1926: Adele did not own the Klimt paintings,

Austrian law, says Gulner, requires that plaintiffs post 1.2 percent of the amount of money at issue—more than \$2 million in this case. Gulner's application to reduce the amount cut the fee to about \$500,000, but that was still more than Altmann and the other heirs could afford.

So Schoenberg began to consider suing in the U.S., researching the Foreign Sovereign Immunities Act (FSIA) to determine whether Altmann could claim jurisdiction in Los Angeles. Passed by Congress in 1976 to codify

### Mexico continued...

the United Nations High Commissioner for Human Rights to review the country's human rights conditions. He also introduced reform initiatives meant to halt pretrial detention and torture, including amendments to the constitution that would establish a presumption of innocence for criminal defendants and a law requiring that only confessions made in court before a judge could be used as evidence at trial.

But Fox's proposals languished in Congress. The subject of human rights all but disappeared during the 2006 presidential campaign. Candidates Manuel Lopez Obrador and Felipe Calderon (whom courts declared in September was the winner of the disputed election) focused on reducing crime and improving the economy.

The key to reform may lie with Mexico's Supreme Court of Justice, according to Daniel Wilkinson, a senior researcher at Human Rights Watch. Before Fox's election in 2000, the Institutional Revolutionary Party (PRI) dominated federal and state politics for 71 years, during which the court functioned almost as an arm of the executive branch of government. But more recently, the Supreme Court's 11 judges, who are elected by the Senate based on the president's nominations, have issued rulings aimed at increasing accountability for human rights abuses committed during PRI's rule. In 2003 the Court removed a statute of limitations that had protected former government officials from being prosecuted for their involvement in decades-old missing person cases (the so-called disappeared). And a year ago, the Court overturned a lower court decision preventing an indictment of former president Luis Echeverría Álvarez for his alleged role in the 1968 and 1971 massacres of student protesters and other antigovernment activists.

The judiciary's newfound independence has emboldened prosecutors to investigate the types of cases they avoided in the past, says Wilkinson. But while the special prosecutor's office has arrested a few high-level officials for alleged involvement in kidnapping, no one has been convicted, notes Tamara Taraciuk Broner, Mexico researcher for Human Rights Watch. "Prosecutors still have to use the dysfunctional system," says Wilkinson. "But there's a feeling in Mexico that real change could come through jurisprudence."

-Catherine Wigginton

U.S. Department of State policy, FSIA generally provides sovereign nations immunity from claims in U.S. courts—with certain exceptions. Schoenberg was sure he could prove that Austria's acquisition of the Bloch-Bauer Klimt paintings fell under FSIA's expropriations exception, which holds that foreign sovereigns can be sued in the U.S. if they have seized property in violation of international law. He knew Austria would fight hard on jurisdiction, particularly because the

as *forum non conveniens* and the immunity the United States usually conferred on foreign countries.

The judge in Los Angeles, Florence Marie Cooper (no relation to the Proskauer partner), was unpersuaded. In May 2001 she ruled that although the case concerned events of the 1940s and Congress didn't pass FSIA until 1976, the act applied retroactively. Altmann's claim fell under the expropriation exception, Judge Cooper found, so

trian matter," says Cooper. "They felt very, very strongly that Austria was equipped to deal with this case and had the right to deal with it."

In October 2003 the U.S. Supreme Court granted Austria's petition for a writ of certiorari. The U.S. Department of Justice, which had unsuccessfully petitioned the Ninth Circuit for a rehearing, joined the Supreme Court case as an amicus in support of Austria, arguing that expropriation claims against foreign countries that predated FSIA should be addressed through diplomacy or litigated in foreign courts.

ith the governments of the United States and Austria allied against him, Randy Schoenberg was considerably overmatched. He didn't even have big-firm resources to back him: he had left Fried. Frank in 2000, in part to devote time to the Altmann case. "It was a leap of faith," he says. "I have to thank my wife—we had a tough year or so." He practiced for two years on his own, then joined Donald Burris in a two-lawyer Beverly Hills firm called Burris & Schoenberg. Schoenberg was attracting small matters through contacts in Los Angeles and referrals, but as the Altmann case managed to survive each of Austria's challenges, he began to believe that he might someday collect on the contingency fee contract that entitled him to a share of the proceeds of recovery of the Klimt paintings. "My wife would constantly say, when my children asked for something, 'As soon as Daddy wins the case," Schoenberg says.

When the Supreme Court granted certiorari, Schoenberg considered bringing in a Court specialist. The Commission for Art Recovery, an affiliate of the World Jewish Congress that is chaired by Ronald Lauder, offered to hire former Solicitor General Robert Bork. Altmann met with some other candidates. But in the end, she asked Schoenberg to argue the case himself. No one knew the facts as well or had more experience on the jurisdictional questions. Schoenberg sought advice from his former professor Erwin Chemerinsky, then of the University of Southern California Law

### "I WASN'T SURE IF WE WOULD HAVE FAIR TREATMENT IN YOUR COURTS," SAYS AUSTRIA'S GOTTFRIED TOMAN.

Nazi era predated FSIA by more than three decades, but decided he had nothing to lose by attempting the suit. "What could it hurt?" he says. "It was our only chance. We had tried to sue in Austria and couldn't proceed." In August 2000 Schoenberg filed a complaint against the Republic of Austria in federal district court in Los Angeles.

ottfried Toman, director of Austria's office of state attorneys, says Austria had one guiding principle through the years of litigation that followed Schoenberg's filing of Altmann's suit: Get the litigation back to Austria. "It was a very Austrian case," he says. "The only relation to the U.S. is that Maria Altmann is living there. Everything else is in Austria. So our main thrust was always that the case belonged in Austria." Toman, who had some familiarity with the American legal system, was concerned that it favored Altmann. "She has no risk of fees, she can make a deposition in her hometown, she will have sympathetic juries," he says. "I didn't want to see my country in foreign courts."

After a beauty contest, Austria hired Scott Cooper, an international litigation partner in the Los Angeles office of Proskauer Rose. Cooper quickly drafted a motion to dismiss Altmann's complaint, focusing on such jurisdictional questions Altmann's suit could proceed. Judge Cooper's ruling was exactly what Toman had feared. "We had an uncertain feeling about giving decisions to a district judge whose understanding of a foreign country might only be seen from the perspective of the plaintiff," he says. "I wasn't sure if we would have fair treatment in your courts."

Austria appealed to the Ninth Circuit, arguing against the retroactive application of FSIA as well as Judge Cooper's finding that Austria's filing fees and statute of limitations laws made Austria an inconvenient forum for Altmann's case. The appeals court used slightly different reasoning than Judge Cooper, but its conclusion was the same: Altmann's case presented an exception to the presumption of immunity for foreign sovereigns and could proceed in the U.S.

The matter was increasingly troublesome for Austria, not only because the country was loath to lose the paintings, but also for the principle Toman considered to be at stake: Austria's right to decide an Austrian dispute. After the Ninth Circuit declined to hear the case en banc, say Toman and Proskauer partner Cooper, they determined that Austria had to push its appeal to the U.S. Supreme Court. "Austria was very much of the view that the U.S. should not exercise jurisdiction over a uniquely AusSchool. "I very strongly advised him to present the argument narrowly," says Chemerinsky. That was already Schoenberg's instinct. "I never wanted to pitch the case as a poor old lady who wants her property back," he says.

Schoenberg homed in on an issue that had been a focus of both the trial court and Ninth Circuit rulings: the retroactive applicability of FSIA to conduct that preceded its passage. His strategy was to reassure the justices that even if the court extended retroactive jurisdiction over foreign sovereigns, "the floodgates wouldn't open," Schoenberg says. There were still too many obstacles for plaintiffs to overcome, from statute of limitations restrictions to the act of state doctrine, which discourages courts from exercising jurisdiction over foreign sovereigns when it interferes with the executive branch's foreign policy powers.

When Schoenberg arrived in Washington, D.C., for the Supreme Court arguments in February 2004, he says, "It was like gallows humor. I felt like I had nothing to lose, because there wasn't

anyone in the world who thought I would win." But as soon as he endured Justice David Souter's first question—it was complex, and Schoenberg had to ask him to explain it—Schoenberg felt like he was simply engaged in a very esoteric conversation with the justices. "I gave my best possible performance at the best possible time," he says.

ustria, says Gottfried Toman, was surprised and disturbed by the Supreme Court's June 2004 decision in Republic of Austria v. Altmann. The court ruled, 6 to 3, that the expropriation exception of the Foreign Sovereign Immunities Act did apply retroactively, which meant that Altmann's suit could proceed in Los Angeles. Toman had expected the emotional power of the Holocaust history of the case to influence the lower courts, but he says he believed the Supreme Court would consider the foreign policy implications of FSIA retroactivityparticularly because the U.S. government was arguing against it along with

Austria. "What gives American courts the right to deal this way with other countries?" Toman says. "It was a bit of a surprise."

The Supreme Court remanded the case to Judge Cooper in Los Angeles, who once again denied Austria's motion to dismiss. She set a trial date for 2005. "The possibility existed that we'd end up litigating the case in the U.S.," Scott Cooper says.

hen Randy Schoenberg took his biggest risk. Finally poised to try Altmann's case in her home court, Schoenberg reminded himself of some contrarian facts. Austria had showed no weakening of resolve. If Altmann prevailed at trial, Schoenberg knew the Republic would continue litigating until every possible avenue of appeal was closed. The case might not end for ten years—and Maria Altmann was a frail nonagenarian. Moreover, even if Altmann's victory survived appeals, he wasn't sure Austria would give up the paintings. "The judgment might

### Litigation Matters.

At Spriggs & Hollingsworth, experience and innovative ideas don't just make us a great law firm. They win cases for our great clients. Again and again.

### Representative matters in 2005:

Lowe's Home Centers v. General Electric, 404 E.3d 1131 (11th Cir. 2005), 608 S.E.2d 636 (Ga. 2005)

(as appellate counsel, securing reversal of \$18 million judgment)

So. California Federal Savings & Loan Ass'n v. United States,

422 F.3d 1319 (Fed. Cir. 2005)

(following appellate affirmance of \$35.9 million in damages, the case settled for a final judgment of \$41.9 million)

C. Hunt Trust Estate v. United States, 65 Fed. Cl. 271 (2005) (as trial counsel, obtaining \$14.8 million award)

### Spriggs Hollingsworth

Litigation Matters.®

1350 I Street, NW Washington, DC 20005 (202) 898-5800 • www.spriggs.com not be enforced," Schoenberg says.

So he considered an alternative. California federal courts require pretrial mediation, which in the Altmann case took place at Proskauer's offices in March 2005, under the auspices of an Austrian historian. The mediator suggested binding arbitration in Austria.

know we win. In Austria: not so sure."

But Schoenberg, who'd obtained favorable opinions on Adele's will from two highly respected Austrian experts, believed that he could win the arbitration. Under the rules he and Austria counsel Cooper negotiated, he would select one arbitrator, Austria another, worried. "Two of the arbitrators were working for universities that get money from the Minister of Education and Art—the opposite party of us. I think, maybe it's not good."

The one-day hearing took place in September 2005 in Vienna. Toman argued for Austria, which contended that Adele had owned the Klimt paintings at the time of her death and had willed them to the Austrian Gallery. (Proskauer partner Cooper exited the case when it returned to Austria.) Schoenberg argued for Altmann and the other heirs, in German. "They didn't want to discuss the law with me," Schoenberg says. "They just wanted the facts."

On January 16, 2006, the day the arbitrators' ruling came in, Schoenberg had just returned home from a latenight poker game. "I'd gotten killed," he laughs. "Then the message came on my BlackBerry. It's an amazing feeling when you win, especially when you don't expect it." As he had hoped, Nodl had persuaded the other two arbitrators that when Adele asked Ferdinand, in her

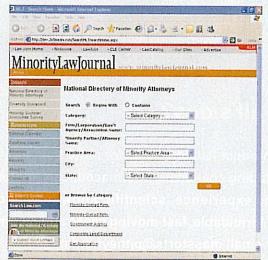
# "IT'S AN AMAZING FEELING WHEN YOU WIN, ESPECIALLY WHEN YOU DON'T EXPECT IT," SAYS RANDOL SCHOENBERG.

Both sides would benefit. Austria would return to its home jurisdiction, as Toman had wanted all along. Altmann, meanwhile, would get a quick resolution that Austria would have to accept.

Altmann was skeptical. "She loved the fact that we were winning in the U.S.," says Schoenberg. The Austrian lawyer who'd worked with Schoenberg, Stefan Gulner, was also dubious. "In the U.S., I

and they would decide the third. Toman selected the dean of the University of Vienna law school. Schoenberg decided to pick a practicing lawyer, Andreas Nodl of Spohn Richter & Partner. "He has a good heart and a good mind," Schoenberg says, noting that, as a working attorney, Nodl was accustomed to arguing persuasively. The third arbitrator was another professor, which left Gulner

### Your top online resource for identifying minority attorneys just got a lot better!



Visit the New and Improved National Directory of Minority Attorneys at MinorityLawJournal.com

- Search over 2,500 minority partners and attorneys, at 350 law firms in 41 states.
- Identify minority attorneys at more than 200 corporations and government agencies
- Narrow your search by name, practice area and geography
- Set up your own account to create and update listings for your legal department or law firm

### Registration is Free!





will, to donate the Klimt paintings to the Austrian Gallery after his death, she was expressing, in the words of the ruling, "a legally nonbinding wish." The arbitrators concluded that under Austrian law, Ferdinand—not Adele—owned the paintings at the time of Adele's death, so Adele didn't have the power to dictate their fate. Austria's ownership claim had failed. Toman's only consolation was that the case had, at least, been decided in Austria by Austrians.

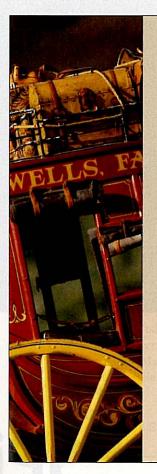
fter the arbitrators' ruling matters moved along quickly. Austria transferred the title to five Klimt paintings in March 2006. (The sixth painting, which had been donated to the Austria Gallery by Ferdinand in 1936, remained in Austria.) In April the works went on display in Los Angeles, where Schoenberg and Maria Altmann were feted for their hard-won victory. Altmann and the four other Bloch-Bauer heirs hired Steven Thomas of Irell & Manella to oversee the sale of the Klimts; in June, New York's Neue Galerie Museum for

German and Austrian Art purchased Adele I for a reported \$135 million. In July the portrait went on display at the museum, surrounded by the other four recovered Bloch-Bauer Klimts, on loan from the Bloch-Bauer heirs.

As Schoenberg had predicted, the Supreme Court's ruling in the Altmann case has not produced a flood of claims against foreign sovereigns. It has not proved to be a widely influential case, say three FSIA experts. And in an unforeseen development, at least one pending Holocaust restitution case, against the French national railroad, was dismissed by the Second Circuit in the wake of Altmann. The railroad, whose alleged conduct did not fall under any of the exceptions to the foreign sovereign immunity act, received retroactive immunity under the Altmann ruling. "In a strange way, the victory of one Holocaust survivor spelled the end for another Holocaust case," says Cardozo Law School professor Richard Weisberg, one of the plaintiffs' lawyers in the railway case.

But Schoenberg's only clients were Maria Altmann and the other Bloch-Bauer heirs. In all, he has helped the Bloch-Bauer descendants recover not only the Klimt paintings, but also restitution from Austria of the mansion on Elisabethstrasse and \$21.8 million from the fund that repays Holocaust victims money once deposited in Swiss banksthe largest award granted by that tribunal. After the lean years when he first left Fried, Frank, Schoenberg has reaped millions in contingency fees from his representation of the Bloch-Bauer heirs. (He declines to comment on his fees, but court documents indicate that Schoenberg received 25 percent of the Swiss bank award; and that he and Gulner will share 40 percent of the Klimt recovery.) "I'm so lucky that I was able to work on a case that was so personal, such a perfect fit for who I am," Schoenberg says. "It was the perfect case for me, and I was the perfect lawyer for the case."

E-mail: afrankel@alm.com





The Next Stage

### Your Class Action Case Deserves A Class Act.

At Wells Fargo, we combine a trusted heritage in banking and financial excellence with proven performance in accurate, expert administrative services to provide a single resource for all of your class action needs. From noticing to claims processing to funds management and distribution, we can partner with you and your clients to deliver comprehensive results with a level of skill, technology and security unmatched by any other provider in the marketplace. Call 1-877-820-0018 today or email us at classaction@wellsfargo.com to learn more.

© 2006 Wells Fargo Bank, N.A. All rights reserved.

wellsfargo.com

Member FDIC