

PRESS BACKGROUNDER

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Lawsuit Over \$100 Million Art Collection Illegally Held by Hungary Will Resolve Largest Unsettled Holocaust Art Claim

Washington, DC; July 28, 2010 -- Heirs to the Herzog Collection, the largest private art collection in Hungary prior to World War II, filed suit in the United States District Court for the District of Columbia late yesterday to seek the return of artworks illegally held by Hungary since the Holocaust. Hungary, a WWII-era ally of Nazi Germany that organized the dispossession, seizure, deportation, and eventual deaths of more than 500,000 Jews, exploited the fact that the Herzog family had been forced to flee Hungary as a result of Hungary's acts of genocide in order to retain or reacquire possession of the family's artworks at the end of the war. Knowing that the artworks at all times belonged to the Herzog family, Hungary has nevertheless refused to return them.

The Herzog Collection

The Herzog family's lawsuit seeks the return from Hungary, three of its state-owned museums, and one state-owned university of over 40 works with a combined value over \$100 million, including masterworks by El Greco, Francisco de Zurbarán, and Lucas Cranach the Elder. Regarded by art experts as the world's largest unresolved Holocaust art claim, the case is the culmination of a decades-long effort by three generations of Herzog heirs to recover their family's property.

The works come from the collection of Baron Mór Lipót Herzog, a passionate Jewish art collector whose daughter married into the de Csepel family, one of the most influential industrialist families in pre-WWII Hungary. After Baron Herzog's death in 1934 the collection remained intact with his wife, and after her passing in 1940 was divided among their three children, Erzsébet (Elizabeth), István (Steven) and András (Andrew), who intended to continue their father's legacy as a patron of the arts.

Nazi-Era Looting and Aftermath

When Germany occupied Hungary in 1944, the Third Reich dispatched the notorious Adolf Eichmann to orchestrate the annihilation of the Jews of Hungary and the plunder of their personal property and treasures. Within a matter of months, Hungarian Jews were deprived of their freedom and property, and nearly half a million Jews living on the countryside were transported by Hungarian security forces to their deaths in German concentration camps. The Hungarian government already had enacted a law requiring Jews to deposit their art with the government for "safe keeping." The Herzog Collection, one of the most splendid in Europe, was inspected personally by Eichmann, who designated certain works for shipment to Germany. The remainder were left in Hungary's possession or looted by others.

Stripped of their belongings and fearing for their lives, the surviving members of the Herzog family were forced to flee Hungary or face extermination. Parts of the family immigrated to the United States, while others escaped to South America or remained in Europe.

In the years immediately following World War II, Hungary and its museums were responsible for safeguarding artworks that had been seized during the war, including those recovered in the territories of the Third Reich and returned to Hungary, until their owners could be identified and located. Instead of returning the artworks to their rightful owners as required by Hungary's 1947 peace treaty with the Allies, the museums managed to avoid turning over physical possession of most of the Herzog Collection. Instead, they attempted to extract substantial fees to cover the "cost" of recovering the art from the Third Reich and denied export permits to the Herzog family members who had fled Hungary during the Holocaust. In the rare instances where the government offered to return art to Herzog family representatives in Hungary, Hungarian government officials subjected those representatives to harassment, including false smuggling allegations, until they had no choice but to agree to allow the artworks to be "returned" to the museums for "safekeeping."

Attempts at Restitution

With the opening of Hungary to the West in 1989, the Herzog heirs started making inquiries and learned that many pieces of their art collection were being openly exhibited, hanging on the walls of the Hungarian National Gallery and the Museum of Fine Arts in Budapest. The tags under the paintings identified them as "From the Herzog Collection." The family attempted to retrieve their artworks through negotiations with Hungary's post-communist government. Although the Hungarian government recognized the family's ownership rights to the artworks, negotiations were unsuccessful. After several years of negotiations, Martha Nierenberg, the daughter of Erzsébet (Herzog) Weiss de Csepel, saw no choice but to pursue legal proceedings in Hungary to recover a portion of the Herzog Collection. She was joined in that effort by then-Sen. Hillary Clinton (D-NY), Sen. Christopher Dodd (D-CT), Sen. Frank Lautenberg (D-NJ), and the late Sen. Edward Kennedy (D-MA), among others, who appealed to the Hungarian government to return the treasured Herzog Collection to its owners. Hungary has rebuffed or ignored all such requests despite the fact that prior to many of those requests, at the 1998 Washington Conference, it pledged that it was "fully committed to the restitution or compensation of Holocaust victims concerning cultural assets" and that it would appoint a commissioner to manage the task. Twelve years later, no commissioner has been named, nothing of consequence has been returned to the Jews from whom it was taken, and works from the Herzog Collection continue to be displayed prominently, and profitably, at Hungary's state-owned museums.

"It would be so simple for the government to make this right, but our struggle goes on," said Martha Nierenberg, the daughter of Erzsébet (Herzog) Weiss de Csepel, who fled the Holocaust with her family in 1944 and has championed efforts for the return of the collection. "I hope this lawsuit will restore what was lost to my family and has been held hostage by the government of Hungary for more than half a century."

"In the area of Holocaust restitution, the government of Hungary has been a particularly bad actor," said Michael S. Shuster of Kasowitz, Benson, Torres & Friedman LLP, the lead attorney

in the Herzog lawsuit. “Hungary attempts to portray itself as a nation worthy of our respect and investment, while refusing to comply with its basic obligations under international law. In contrast to Hungary, Germany returned artworks from the Herzog Collection to the Herzog heirs this spring without the need for legal action. We had no choice but to bring the Herzog family’s claim before a U.S. court.”

The case, spearheaded by plaintiff David de Csepel, the grandson of Erzsébet (Herzog) Weiss de Csepel, is filed just as Hungary has concluded a year-long cultural program in the United States. The program, known as “Extremely Hungary,” contained no references to the mass genocide of its Jewish citizens during the Hungarian Holocaust or the gruesome manner in which the government acquired some of the most significant artistic pieces in its possession and failed to acknowledge its crimes against humanity.

Michael S. Shuster is available to speak with the media about the case. Also, additional materials, including a copy of the publicly filed complaint and photos of the artwork, are available online at <http://www.hungarylootedart.com>

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