

Exhibit 13 to the Complaint



PATTERSON LAW FIRM
THE BUSINESS LAWYERS TO CALL IN A CRISIS®

May 2, 2019

Michelle L. Cooper
Lewis Kappes
One American Square, Suite 2500
Indianapolis, IN 46282

RE: Scheere v. Gary Community School Corporation

Dear Ms. Cooper:

As you are well aware, on January 19, 2019, Jean-Christophe Scheere purchased a Picasso replica statue (the "Statue") from the Gary Community School Corporation ("Gary School"). Mr. Scheere took part in an international public auction in which bidding could take place either physically in Valparaiso, Indiana, or over the telephone or online from anywhere in the world. Furthermore, Mr. Scheere was declared the highest bidder and the purchaser of the Statue as evidenced by Invaluable Inc. and Live Auctioneers, two world renowned US auction platforms. (See Exhibits A and B, attached hereto). On January 19, 2019, both platforms listed the Statue as being sold for \$20,000 (excluding the costs of \$3,000). As of today, these platforms still list Mr. Scheere as the highest bidder.

The former emergency manager of the Gary School, who left in November 2018, had approved the sale of the Statue for auction in January 2019.¹

On January 22, 2019, Kraft Auction Services, LLC ("Kraft"), through Jonathan Kraft, confirmed in writing that Mr. Scheere's bid had been accepted. (See Exhibit C, attached hereto). The auctioneer congratulated Mr. Scheere for his purchase of the Statue and sent Mr. Scheere Kraft's bank details and the total sum to be paid, which Mr. Scheere paid immediately.

Thereafter, Mr. Scheere was asked to organize and prepare the transportation of the work. For his part, shortly after acquiring the piece, Mr. Scheere contacted Mrs. Francisca Vandepitte, Chief Curator of the Department of Modern Sculptures at the Royal Museums of Fine Arts of Belgium, to organize a long-term loan of the work to this institution.

¹ According to Jonathan Kraft, Peggy Hinkley had informed the Gary School's attorneys to provide proper written notice but the attorneys did not provide the proper notice. (See Exhibit D, attached hereto).

Exhibit 13 to the Complaint

Michelle Cooper

2 | Page

On February 12, 2019, Mr. Kraft sent an email to Mr. Scheere, acknowledging that payment had been received, informing Mr. Scheere that the Emergency Manager had approved of the sale, informing Mr. Scheere that the Mayor did not object to the sale, and stating in relevant part:

I am sorry for the delay getting back to you. We have been swamped here and I have had a few issues pop up with the Picasso I have been trying to get resolved for you.

First of all, we did receive the wire and you are paid in full. Thank you for getting that to me.

Now comes the update on removal. So because the state is running the school system, any items that the school wants to sell they have to notify the mayor of the city that they are doing this. **Back in early November I received an email from the lady running the school system approving the sale of the Picasso.** Well I guess she did not give proper notice to the mayor like she was supposed to. We have had 7 or 8 auctions for the school last year and we always had to do it, now when it comes to this they some how forget to do it.

So we have talked to the Mayor and they are not wanting the piece. The notice to the mayor is a curtsey (sic) gesture really and she cannot stop the sale. So the notice was given a few days after the sale, and the item can be removed after February 23rd. I know you are not from here, but unfortunately this is how Gary works and I am as furious about this situation as anyone.

(See Exhibit E, attached hereto).

Subsequently, and bending to public pressure, the Mayor canceled an otherwise valid sale. The Mayor decided to reopen the sale of the work, without any consideration of the consequences. Mr. Scheere is the lawful owner of the Statue and demands its immediate transfer.

Exhibit 13 to the Complaint

Michelle Cooper

3 | Page

Notice Was Provided²

I.C. 6-1.1-20.3-8.5(12) states:

Selling assets, including real property, of the distressed political subdivision.

If real property is being sold, any political subdivision that has territory where the real property is located and institutions of higher education with real property located in Indiana shall be given a thirty (30) day first right to make an offer to purchase the real property.

The emergency manager shall determine whether it is appropriate to accept one (1) of these offers and shall negotiate the terms and conditions of the sale of the real property to the offeror. **In the case of an emergency manager appointed for the Gary Community School Corporation, the emergency manager shall provide written notice to the mayor of the city of Gary at least thirty (30) days before selling assets under this subdivision. If the mayor of the city of Gary notifies the emergency manager of any concerns or objections regarding the proposed sale of the asset the emergency manager must confer with the mayor regarding those concerns.**

In a newspaper article dated February 27, 2019, Mayor Karen Freeman-Wilson admitted that she was provided notice prior to the sale of the Statue to Mr. Scheere, just not an itemized list. (*See Exhibit F, attached hereto*). In that same article, Mayor Freeman-Wilson acknowledged that an itemized list is not required under state statute. Mayor Freeman-Wilson's analysis is correct. In reviewing I.C. 6-1.1-20.3-8.5(12), there is **no requirement** of an itemized list. Moreover, there are no cases and no known authority indicating that an itemized list is required.³

² There is no proof that advance written notice **was not provided** to the Mayor. It is the burden of the Emergency Manager to show compliance, or lack of compliance with the statute. We would like a copy of the notice provided to the Mayor. We would also like to see the notices as to all other auctions, as to whether they complied with state statute and whether the previous auctions were proper. If they were not proper, you will need to explain to us, your selective enforcement of the statute. You will need to explain also, whether new auctions were performed as to the other assets sold at auction, if there was not an itemized list. This selective enforcement will be evidence of fraud.

³ If you know of any cases to the contrary, we request that you provide them to us immediately.

Exhibit 13 to the Complaint

Michelle Cooper

4 | Page

In fact, if an itemized list was actually required, the notice to Mayor Freeman-Wilson dated January 29, 2019, which Gary School claims complies with the statute, fails, with the limited exception of referring to the Picasso statue, in providing an itemized list. The letter states:

The Gary Community School Corporation has engaged the Auctioneer to provide on-site auction services for surplus items, materials, equipment, unused items and fixtures located at facilities owned by the Gary Community School Corporation. The items to be auctioned include, **but are not limited to:** office supplies, text books, computers and technology equipment, student desks, office furniture, warehouse equipment and racks, cleaning equipment, tools, building materials, cleaning materials, mechanical equipment, building fixtures, vehicles, Picasso Replica named Chicago Picasso (See attached Exhibit A) **and other items no longer needed by the Gary Community School Corporation.**

(See Exhibit G, attached hereto). Mayor Freeman-Wilson has admitted she was provided notice, has acknowledged that the statute does not require an itemized list, and has failed in subsequent notices from the Emergency Manager to require an itemized list. Her only excuse, which cannot obscure a legal contractual obligation, is that she “wanted to achieve the letter and spirit of the statute.”⁴ This is all pretext and does not diminish Mr. Scheere’s ownership rights to the Statue.

The Mayor Waived Any Pre-Notice Requirement

“Waiver is where one in possession of any right, whether conferred by law or by contract, and with full knowledge of material facts, does or forbears the doing of something inconsistent with the existence of the right or of his intention to rely upon it; thereupon he is said to have waived it, and he is precluded from claiming anything by reason of it afterwards.” *Shedd v. American Credit, etc., Co.*, 95 N.E. 316 (Ind. App. 1911); *Ohio Valley Buggy Co. v. Anderson Forging Co.*, 81 N.E. 574 (Ind. 1907).

⁴ The statute requires that the Emergency Manager given written notice at least thirty (30) days prior to the sale of any assets. It is the Emergency Manager’s burden to show compliance. If this goes to litigation, we will subpoena and depose former Emergency Manager Peggy Hinckley, the attorneys for Gary Community School Corporation who were tasked by providing notice, as well as Mayor Freeman-Wilson.

Exhibit 13 to the Complaint

Michelle Cooper

5 | Page

Even if the “spirit of the law” required an itemization prior to the January auction, there was waiver by Mayor Freeman-Wilson who did not voice any concerns or objections to the subsequent notice on January 29, 2019.

In fact, according to Jonathan Kraft:

So we have talked to the Mayor and they are not wanting the piece. The notice to the mayor is a curtsey (sic) gesture really and she cannot stop the sale. So the notice was given a few days after the sale, and the item can be removed after February 23rd. I know you are not from here, but unfortunately this is how Gary works and I am as furious about this situation as anyone.

Accordingly, notice was given after the sale, and the thirty-day clock began. During this period, Mayor Freeman-Wilson did not oppose the sale. By failing to oppose the sale of the Statue during this subsequent thirty-day period, the Mayor either conceded to the previous sale or waived any objection. Any allegation to the contrary is pretext. Mr. Scheere is the lawful owner of the Statue.

Estoppel Stops the Emergency Manager from Invalidating the Sale Based Upon Her Own Alleged Failures and Omissions

In addition, the Emergency Manager cannot cite his predecessor’s failure, or that of Gary School’s attorneys as a defense.⁵ As a general principal, estoppel is an equitable doctrine whereby one’s own acts or conduct prevents the claiming of a right to the detriment of another party who was entitled to and did rely on the conduct. *In re Edwards*, 694 N.E.2d 701, 715 (Ind. 1998). Here, Mr. Scheere relied on the Emergency Manager to correctly perform all conditions precedent to allow the auction to be effective. The Emergency Manager is tasked with compliance with the statute, not Mr. Scheere. Mr. Scheere performed all of his obligations under the contract, including bidding per the auction rules and paying \$23,000 for the Statue. Moreover, this defense is particularly egregious and ineffective, as here, where the deficient notice was used as a pretext to reopen the auction and obtain a higher bid.

⁵ In discovery, Mr. Scheere will also inquire as to whether Gary School is contemplating legal action against its former attorneys for professional negligence. As you undoubtedly realize, under Indiana law, the actions of the agent are imputed upon the principal. *Green v. Perry*, 549 N.E.2d 385 (Ind. App. 1990).

Exhibit 13 to the Complaint

Michelle Cooper

6 | Page

Mr. Scheere is entitled to the Statue and it must immediately be provided to him.

The Mayor Did Not have the Power to Oppose or Block the Sale

Moreover, the statute does not permit Mayor Freeman-Wilson to deny a sale, but only to confer with the Emergency Manager as to any concerns or objections. The authority of the Mayor in I.C. 6-1.1-20.3-8.5(12) is limited. The Mayor can “notif[y] the emergency manager of any concerns or objections regarding the proposed sale of the asset.” In response, the Emergency Manager need only “confer with the mayor regarding those concerns.” Ultimately, the Emergency Manager, not the Mayor, determines whether an asset should be sold. Here, the Emergency Manager agreed to the sale of the Statue, the sale occurred, and Mr. Scheere was the highest bidder. There is a binding contract that must be honored.

The Emergency Manager Did Not Have the Authority to Reopen the Auction

In contravention of the Emergency Manager’s legal obligations under the Statute, he reopened the auction, allowing additional bids. If the Emergency Manager made a mistake, which is what is claimed, any recourse should be with the Emergency Manager pursuant to I.C. 6-1.1-20.3-7.5. The illegal reopening of the auction, however, allowed a subsequent bidder to wrongly obtain Mr. Scheere’s property.

Gary School entered into a binding contract with Mr. Scheere. The essential elements of a breach of contract action are the existence of a contract, the defendant's breach thereof, and damages. *Peterson v. Culver Educational Foundation*, Ind. App., 402 N.E.2d 448, 461 (Ind. App. 1980). “The existence of a valid contract depends upon mutuality of obligation, *i.e.*, there can be no contract unless both parties are bound.” *Marksill Specialties, Inc. v. Barger*, 428 N.E.2d 65, 69 (Ind. App. 1981). Nowhere in the statute is the Emergency Manager provided the opportunity to disregard valid contracts, sell property of third parties, or cancel an otherwise sale of assets. These actions were all in contravention of the statute.

Exhibit 13 to the Complaint

Michelle Cooper

7 | Page

The Emergency Manager Should Have Provided Adequate Notice to Mr. Scheere So That He Could Make an Informed Decision

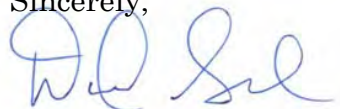
The Emergency Manager did not provide any notice to Mr. Scheere that a subsequent auction would occur. Instead, on March 14, 2019, Jonathan Kraft wrote Mr. Scheere an email that informed Mr. Scheere that the Statue had been put on sale for about ten days on a private page of the auctioneer's website. The email indicated that the auction was closing the next day. The second auction procedure was opaque with no advertising. In the absence of evidence and legal references to the invalidation of the first sale, Mr. Scheere maintained his position as a buyer in good faith at the January 19th sale. This again shows that the reopening of the auction was pretext. Gary School realizing it could obtain more money constructed this ruse, and denied Mr. Scheere the opportunity to combat that scheme. This was wrong and is evidence of fraud and bad faith.

Conclusion

According to Mayor Freeman-Wilson herself: (1) notice was provided; and (2) there is no statutory requirement of an itemization. Moreover, Jonathan Kraft acknowledged that the Mayor had no opposition to the sale, that the Mayor had no authority to stop the sale, and that after subsequent notice, this time specifically itemizing the Statue, that Mr. Scheere would be able to take legal ownership and possession of the Statue.

We demand that Gary School permit Mr. Scheere to obtain and transport the Statue immediately. If this relief is not provided, Mr. Scheere will file a lawsuit for breach of contract, fraud and any other causes of action that he may have. While the Emergency Manager has certain immunity, that immunity does not relate to gross negligence and willful acts and omissions. We are giving you until close of business on May 8, 2019 to acknowledge Mr. Scheere's rightful ownership and to provide Mr. Scheere access to obtain the Statue.

Sincerely,



David L. Sanders

Exhibit 13 to the Complaint

KRAFT AUCTION - vente du 19 janvier

KRAFT AUCTION SERVICE

Se connecter/S'inscrire comme soumissionnaire Enchères courantes Enchères passées Liste de courtier

42nd Anniversary Antique and Collectible Auction -Weekend #2

Kraft Auction Service
48 N 450 E
Valparaiso, IN 46383
Date 19/01/2019 - 20/01/2019
Sunday January 20th
550+ Lots of Coins and Currency

[Ventes aux enchères](#)
[Webdiffusion enchères](#)

Complete set of Morgan and Peace Dollars; 75+ US gold coins; Platinum coins; collection of proof and circulated silver eagles; outstanding collection of type coins; trade dollars; complete set of Mercury dimes; large amount of 90% silver coinage; complete set of Walking Halves; numerous graded coins; numismatic half collection; numerous 18th/19th Indian trade items; 1955 double 10¢ currency collection including 7, \$1000 bill, \$500 bill

Avis d'appel d'offres: BIDDING IS NOW OPEN!
















[Détails de l'enchère](#) [Aperçu de l'enchère](#) [Catalogue de vue \(2212 Lots\)](#)

Recherche Tous les groupes et catégories Ordre de vente

Single Page Condensé Tile View Vue complète

Afficher 50 lots
Affichage 201-250 2.212 lots de

Précédent 1 2 3 4 **5** 6 7 45 Suivant

160 - Superior Model Youth Clothing Form with Stand- 12	161 - Cast iron Whip Rack with Whip	162 - Remington Rattlesnake Bronze Statue	162a - Pair of Farming Folks Smelter Statues	163 - Remington Mountain Man Bronze Statue
				
195 - Oscar Pickett Landscape Oil On Board Painting	196 - Oscar Pickett Landscape Oil On Board Painting	197 - Oscar Pickett Landscape Oil On Board Painting	198 - Oscar Pickett Landscape Oil On Board Painting	198a - Oscar Pickett Landscape Oil On Board
				
Prix réalisés: 25.00 USD	Prix réalisés: 50.00 USD	Prix réalisés: 35.00 USD	Prix réalisés: 65.00 USD	Prix réalisés: 30.00 USD
199 - Oscar Pickett Landscape Oil On Board Painting	199a - Oscar Pickett Landscape Oil On Board	200 - Original Frank Dudley Dunes Oil on Canvas	200a - Frances Milam Indiana Dunes Oil On Canvas	201 - Original Chicago Picasso Wood Working Model
				
Prix réalisés: 40.00 USD	Prix réalisés: 50.00 USD	Prix réalisés: 8,250.00 USD	Prix réalisés: 350.00 USD	Prix réalisés: 20,000.00 USD

Afficher 50 lots


Commentaires / Questions

Précédent 1 2 3 4 **5** 6 7 45 Suivant

Exhibit A


Exhibit 13 to the Complaint

195 - Oscar Pickett Landscape
Oil On Board Painting



Prix realises:
25.00 USD

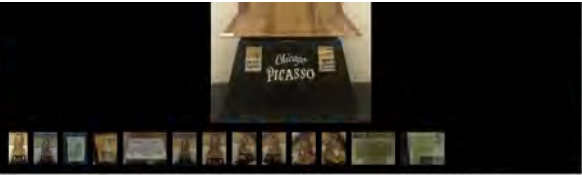
199 - Oscar Pickett Landscape
Oil On Board Painting



Prix realises:
40.00 USD

Afficher / 50

Commentaires / Questions



Cliquez sur l'image principale pour entrer / quitter le mode plein écran de l'image

Lot #
Quantité
Estimation
Description

201
1

Here is a once in a lifetime opportunity to purchase the original wood model given the American Bridge to sculpt the "Chicago Picasso". Picasso made the original sculpture which is house at the Art Institute in Chicago and this model was created to be used by the steel workers at American Bridge to form the full size steel sculpture located in Daley Plaza.

This model was approved by Picasso for the American Bridge. After the final installation of the "Chicago Picasso", the model went into storage and later was given to the Gary Community School Corporation in 1970. This piece has been located at the Gary Career Center for decades now and it is now time for a new home for others to appreciate.

The wood model stands 12.5' tall and then rest on additional wood base for extra height. The piece has been damaged over the years, and some wood doll rods are missing from the head. The piece will need some restoration to bring it back to it's original form.


This is a once in a lifetime opportunity to purchase a piece of history and one of Picasso's most famous sculptures.

Here is an article for 2005 referencing the piece:
<https://www.chicagotribune.com/news/ct-xpm-2005-12-28-0512290016-story.html>

The piece is located at the Gary Career Center, and interested bidders need to contact Kraft Auction Service at 219-973-9240 to set-up a private showing for the piece. It will be the buyer's responsibility to remove the item and for shipping. Buyer will have 1 month to remove and must coordinate with the school corporation for a mutually agreeable date for removal, as this is still in an active school.

Proceeds from this piece are supporting the Gary Community School Corporation.

201 - Original Chicago Picasso
Wood Working Model



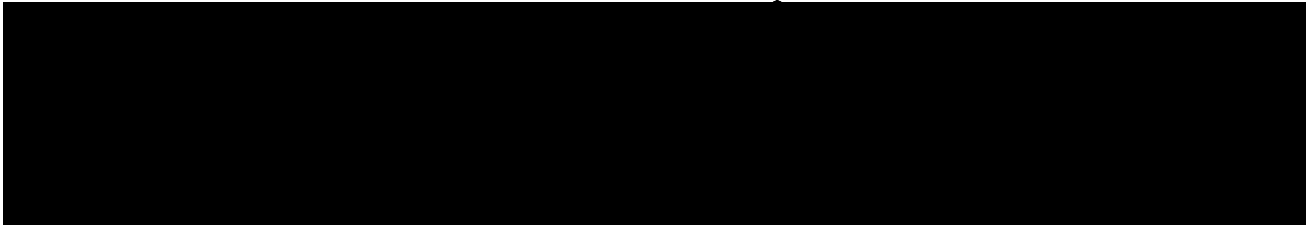
Prix realises:
20,000.00 USD

6 7 45 Suivant

Retour au sommaire

[Click here](#) to report this email as spam.

Exhibit 13 to the Complaint



INVALUABLE

invaluable
The world's premier auction and galleries

Advanced

Search items & sellers

SALE-ONLINE

AUCTIONS GALLERIES ARTISTS FINE ART DECORATIVE ART JEWELRY COLLECTIBLES FURNITURE ASIAN ART

Home > Auction Houses > Kraft Auction Service

42nd Anniversary Antique and Collectible Auction - Fine and Decorative Arts, Country Primitives and More!
by Kraft Auction Service

January 19, 2019 10:00 AM CST Live auction

Valparaiso, IN, US Auction Details

969 Lots

Search this auction

Per page: 200

Sort by: Lot Order

Top Categories

- Automobiles, Boats & Airplanes (11)
- Collectibles (198)
- Decorative Art (239)
- Dolls, Bears & Toys (12)
- Fine Art (229)
- Furniture (272)

All Categories

- Candelabra (11)
- Cast Iron Metalware (22)
- Chairs - General (7)
- Chandeliers, Fixtures &

160: Superior Model Youth Clothing Form with Stand-
Sold: 175 \$US

161: Cast iron Whip Rack with Whip
Sold: 275 \$US

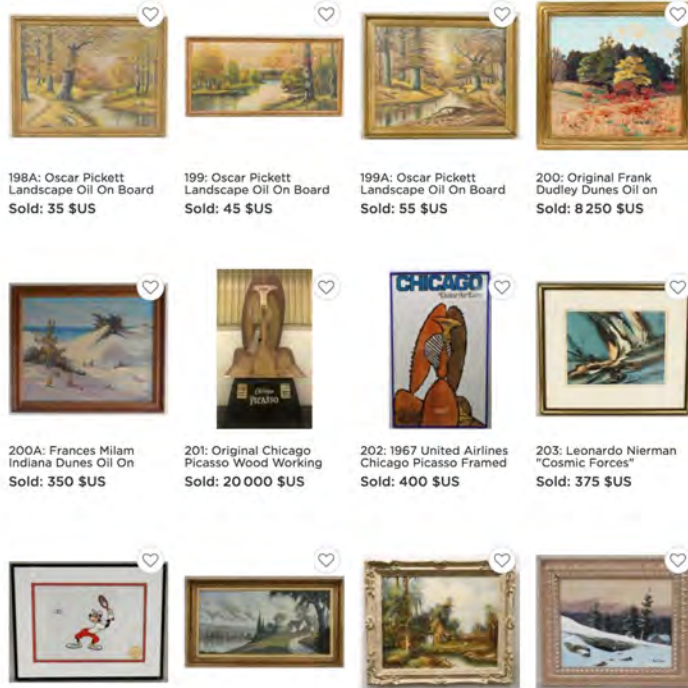
162: Remington Rattlesnake Bronze Statue
Sold: 175 \$US

162A: Pair of Farming Folks Smelter Statues
Sold: 70 \$US

Help

Exhibit B

Exhibit 13 to the Complaint



LIVEAUCTIONEERS

liveauctioneers

Search for items and auction houses



MY BIDS

ME

Find Auctions

Art

Jewelry

Asian Antiques

Furniture

Collectibles

Coins

Memorabilia

Home & Garden

Fashion

Price Results

Online Auctions > Kraft Auction Service > 42nd Anniversary Antique Auction



DONE | Sat, Jan 19, 2019 5:00 PM CET | Valparaiso, IN, USA

42nd Anniversary Antique Auction

Kraft Auction Service

Day 4 of 7 day auction. 800+ lots featuring country store collectibles, fine and decorative art, sterling silver, art glass and so much more!

[Auction Details](#)

SEARCH: 970 lots

VIEW: 120

SORT: Lot Number: Lowest

Exhibit 13 to the Complaint

Kraft Auction Service: 42nd Anniversary Antique Auction
SAT, JAN 19, 2019 5:00 PM CET

0200A: Frances Milam Indiana Dunes Oil On Canvas
Est. \$25-\$10,000
Sold for \$350

Featured

0201: Original Chicago Picasso Wood Working Model
Est. \$25-\$10,000
Sold for \$20,000

0202: 1967 United Airlines Chicago Picasso Framed Poster
Est. \$25-\$10,000
Sold for \$400

0203: Leonardo Nierman "Cosmic Forces" Lithograph
Est. \$25-\$10,000
Sold for \$375

0204: Goofy "Tennis Raquet" Ltd Ed Serigraph Cell
Est. \$25-\$10,000

0205: Vincent Landscape Oil On Canvas Painting
Est. \$25-\$10,000

0205A: F. Wagner French Mill Oil On Canvas
Est. \$25-\$10,000

0207: Wayne Cooper Winter Landscape Oil On Board
Est. \$25-\$10,000

Click [here](#) to report this email as spam.

BACK TO TOP

Page 12 of 29

Exhibit 13 to the Complaint

[REDACTED]

From: Jonathan Kraft <jonathan@kraftauctions.com>
Sent: Tuesday, January 22, 2019 1:50 PM
To: jc.scheere@skynet.be
Subject: Picasso Payment

Jean,

Congratulations on winning the Picasso this weekend. I am just sending you payment information as we had a holiday yesterday and the banks were closed.

Your total to wire is \$23,000.00. Just send to the following account. Once you send it, please let me know so we can look for it.

Once it is received, let me know how you want to proceed on shipping and I will get your shipper into the school to pick it up and remove it. Thanks again!

TELEGRAPH NAME: CENTIER WHITING

ABA [REDACTED]

ADDRESS: CENTIER BANK
600 E. 84TH AVENUE
MERRILLVILLE, IN 46410

BENEFICIARY OF WIRED FUNDS: [REDACTED]

Kraft Auction Service LLC

27 S 117 E

Valparaiso, IN 46383

--

Thanks,

Jonathan Kraft

Kraft Auction Service, LLC
48 N 450 E Valparaiso, IN 46383
KraftAuctions.com
219-973-9240

Exhibit C

Exhibit 13 to the Complaint



Début du message réexpédié :

De: Jonathan Kraft <jonathan@kraftauctions.com>

Objet: Picasso

Date: 14 mars 2019 à 16:08:39 UTC+1

À: jc.scheere@skynet.be

Jean,

Sorry it has taken so long to get the Picasso moved out for you, but we have had some issues with the school system and we now have a new one.

So I never explained the full issue we were dealing with because I didn't know if you'd understand the politics of it all, though now you need to hear the complexity so you can make a decision on what you want to do.

The Gary school system use to be run by the city of Gary, but after racking up almost \$100,000,000 in debt and failing schools the state stepped in and took over 3 years ago. The most recent emergency manager, Peggy Hinckley, was on a mission to liquidate all unused assets to right their finances the best they could and turn the focus back on the students. With that being the case she had us selling a variety of school assets including some art, one being the Picasso. After asking about the piece last year it was decided it should be offered in our January auction. In the middle of November we received an email from Peggy approving the sale of the piece.

Before we can sell anything though Peggy had to give 30 day notice to the mayor of the sale of assets. We have done this for months with other assets, and Peggy had told the attorney to give written notice for the upcoming sales but the attorney never stated the Picasso in the notice like she was suppose to. I never knew of this issue or Peggy, because we never heard a word from the mayor.

To add more to this Peggy has since retired and we have a new emergency manager.

So prior to the auction I tried to reach out to the local newspapers to run a story on the piece, but none wanted to. But then the Monday after the auction they wanted to know everything about it and it became front page news. Since then there was public outcry how terrible this was. Well it was at that point the mayor said she didn't know and proper notice wasn't made to her.

So at that point we immediately gave notice and that's why I told you there would be a little delay on getting the piece because now there was at least a 30 day hold on the piece. Well at the end of the 30 days the mayor held a public meeting about the Picasso and the remaining school art. Obviously those now upset by it all came to voice their opinion.

Exhibit 13 to the Complaint

So the new emergency manager and mayor told me to post the Picasso back on my website and give any of these concerned citizens an opportunity to place a bid. It has actually been on there for about 10 days now and anyone to submit a bid has until tomorrow.

Their initial thought was no one will make an offer and to keep the sale to you and we are done. All bases are covered and everyone is happy.

Well that all changed now that some of concerned citizens have gotten together to make an offer and plan on donating it to a local museum for public display. The museum actually is the one who made the offer on it. The offer was also more then you paid for it too, and that makes it difficult too.

So here is our dilemma, technically it was sold to you but without the notice to mayor it really wasn't sold, but we wanted to still honor that bid for you. Now the schools are stuck because they have a higher local offer that keeps everyone here happy and only you unhappy. They don't want that either though.

So my question to you is, would you be ok if they sold it to a local group to keep here and refund you your money? The money is still in my account and has never been paid to the school. I probably can get them to pay you a fee for your time if you'd like. Or if you really want it and do not care about the local issues and will do anything to make sure you still get it, then let me know and I'll relay that message to the school system so they can make their decision.

I'm sorry to be emailing this to you, I never wanted to do this. I thought everything was done right or we would of never offered it for sale. Now I'm stuck in between all this and now your being drug into their problems.

So let me know your thoughts and I'll relay them back to them. If you do decide that you would be ok being released from the sale, I will have them draw a paper up releasing you from the purchase and then I'll wire the money with whatever additional you'd like for your time. I would get this done right away for you.

Thanks,

Jonathan Kraft
Kraftauctions.com
219-973-9240
Sent from my iPhone

Click [here](#) to report this email as spam.

Exhibit 13 to the Complaint

[REDACTED]

From: Jonathan Kraft <jonathan@kraftauctions.com>
Sent: Monday, February 11, 2019 7:32 PM
To: jc.scheere@skynet.be
Subject: Wire Transfer and Removal Update

Jean,

I am sorry for the delay getting back to you. We have been swamped here and I have had a few issues pop up with the Picasso I have been trying to get resolved for you.

First of all, we did receive the wire and you are paid in full. Thank you for getting that to me.

Now comes the update on removal. So because the state is running the school system, any items that the school wants to sell they have to notify the mayor of the city that they are doing this. Back in early November I received an email from the lady running the school system approving the sale of the Picasso. Well I guess she did not give proper notice to the mayor like she was supposed to. We have had 7 or 8 auctions for the school last year and we always had to do it, now when it comes to this they some how forget to do it.

So we have talked to the Mayor and they are not wanting the piece. The notice to the mayor is a curtsey gesture really and she cannot stop the sale. So the notice was given a few days after the sale, and the item can be removed after February 23rd. I know you are not from here, but unfortunately this is how Gary works and I am as furious about this situation as anyone.

I have not paid the school for the piece, and the money will sit in my escrow account until you have removed the piece. Once it is removed I will then pay the school for it. In the mean time, if you want to get Navis in to assess the removal for you, I can set that up so we can get that coordinated. Just shoot me an email and I will get them in.

Please let me know what questions you might have, as I know this is a confusing and odd situation. This issue has been in every newspaper, news channel, and radio station talking about it. Before the auction I tried to get press to talk about the piece and no one wanted to run a story and now there is a problem they all want to talk about. Typical media! Anyways please reach out to me and we will get it figured out for you.

--

Thanks,

Jonathan Kraft

Kraft Auction Service, LLC
48 N 450 E Valparaiso, IN 46383
KraftAuctions.com
219-973-9240

Exhibit 13 to the Complaint

5/2/2019

Snafu extends Picasso auction yet again; Community forum set for tonight | Lake County News | nwitimes.com

BREAKING Trump admin moves to further protect medical providers who refuse some services based on religion

https://www.nwitimes.com/news/local/lake/snafu-extends-picasso-auction-yet-again-community-forum-set-for/article_9df5f44b-7ce8-5dc9-a936-c01353411fa4.html

URGENT

Snafu extends Picasso auction yet again; Community forum set for tonight

Lauren Cross lauren.cross@nwi.com, 219-933-3206 Feb 27, 2019

\$3 FOR FIRST 13 WEEKS



After the final installation of the "Chicago Picasso," this smaller-scale plywood model went into storage and was later given to the Gary Community School Corp. in 1970, according to the Kraft Auction Service. The city school district is extending the online auction to March 15 for the model.

Provided by Kraft Auction Service

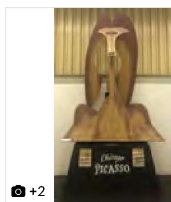
Exhibit F

https://www.nwitimes.com/news/local/lake/snafu-extends-picasso-auction-yet-again-community-forum-set-for/article_9df5f44b-7ce8-5dc9-a936-c0135... 1/3

Exhibit 13 to the Complaint

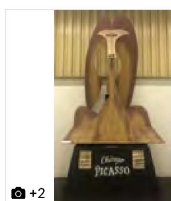
5/2/2019

Snafu extends Picasso auction yet again; Community forum set for tonight | Lake County News | nwitimes.com



+2

Auction for Picasso model extended; \$20K bid still in play



+2

Picasso model nets \$20,000 for Gary schools



Contrasts abound for 2 black women in Chicago mayoral runoff

'This is about our kids': Gary emergency manager vows students are his priority above district art auctions

GARY — The Community School Corp. and the city's mayor will host a joint community forum tonight to address concerns raised by historians, residents and elected officials about the sale process of artwork and other items.

The meeting is set for 6 p.m. at West Side Leadership Academy.

It comes after the school district extended an online auction for a prized wooden Picasso model after not properly notifying Gary Mayor Karen Freeman-Wilson of specific assets they were auctioning off.

The extended auction was set to end Thursday, but another snafu has forced the district to extend it yet again.

Even though the Gary school district announced last month it would be reopening the bidding process for the Picasso art piece until Feb. 28, the piece was still listed as SOLD on Kraft Auction Service's website as recently as Tuesday.

The issue was brought to the Gary Community School Corp.'s attention late last week, deputy chief of staff Amy Marsh said Tuesday.

The deadline has been further extended to March 15 due to the confusion, she said.

The presumed-winning \$20,000 bid last month by a Belgian art collector is still in play, according to officials.

After the final installation of the "Chicago Picasso," the original model — given to American Bridge at Gary Works to sculpt the "Chicago Picasso" — went into storage and was later given to the Gary Community School Corp. in 1970.

The cash-strapped school district has auctioned off several art collection pieces, equipment and unused supplies in recent months as part of the state-appointed emergency management team's plan to shore up the district's coffers, pay down its debt and put the schools on better financial footing.

The 2017 state takeover law required the school district to give a 30-day written notice to the city's mayor before property is sold. In this case, Freeman-Wilson was

Exhibit 13 to the Complaint

5/2/2019

Snafu extends Picasso auction yet again; Community forum set for tonight | Lake County News | nwitimes.com

provided notice, but not an itemized list.

The itemized list is not necessarily required under state statute, but Freeman-Wilson previously said she and Emergency Manager Pete Morikis “wanted to achieve the letter and spirit of the statute.”

Lauren Leone-Cross

Northlake County Reporter

Lauren covers North Lake County government, breaking news, crime and environmental issues for The Times. She previously worked at The Herald-News in Joliet. She holds a master's degree in Public Affairs Reporting.

Exhibit 13 to the Complaint



Robert L. Lewis, Esq.
Tracy A. Coleman, Esq.
Shontrai D. Irving, Esq.

OF COUNSEL

Robert L. Lewis & Associates

2148 West 11th Avenue, Gary, Indiana 46404
Telephone (219) 944-2755 • Facsimile (219) 944-2764

VIA CERTIFIED MAIL 7018 1830 0001 6793 0699, REGULAR MAIL AND ELECTRONIC
MAIL VIA kfreemanwilson@ci.gary.in.us

January 29, 2019

Mayor Karen Freeman Wilson
401 Broadway
Gary, Indiana 46402

Dear Mayor Freeman-Wilson:

Please find attached the Notice of Intent to Sell Assets of the Gary Community School Corporation by the Emergency Manager. If you have any objections or concerns regarding the selling of the assets, please confer with Dr. Peter Morikis, Emergency Manager of the Gary Community School Corporation.

Thank you again for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tracy A. Coleman".

Tracy A. Coleman

Enclosure: Notice of Sale, Exhibit A and Certificate of Service

Exhibit G

Exhibit 13 to the Complaint

NOTICE TO THE MAYOR OF THE CITY OF GARY REGARDING SELLING OF ASSETS OF THE GARY COMMUNITY SCHOOL CORPORATION BY THE EMERGENCY MANAGER OF GARY COMMUNITY SCHOOL CORPORATION

Comes now the Emergency Manager, Dr. Peter Morikis and the Gary Community School Corporation, by Corporation Counsel, Tracy A. Coleman, **ROBERT L. LEWIS & ASSOCIATES** and provides Notice to the Mayor of the City of Gary regarding the selling of assets by the Gary Community School Corporation. Pursuant to I.C. 6-1.1-20.3-8.5 (12):

Selling assets, including real property, of the distressed political subdivision.

If real property is being sold, any political subdivision that has territory where the real property is located and institutions of higher education with real property located in Indiana shall be given a thirty (30) day first right to make an offer to purchase the real property. The emergency manager shall determine whether it is appropriate to accept one (1) of these offers and shall negotiate the terms and conditions of the sale of the real property to the offeror. In the case of an emergency manager appointed for the Gary Community School Corporation, the emergency manager shall provide written notice to the mayor of the city of Gary at least thirty (30) days before selling assets under this subdivision. If the mayor of the city of Gary notifies the emergency manager of any concerns or objections regarding the proposed sale of the asset, the emergency manager must confer with the mayor regarding those concerns.

Please be advised that the Gary Community School Corporation has retained the services of Kraft Auction Services to sell assets of the Gary Community School Corporation. The items are scheduled for a final sale date of on or after February 28, 2019 and said items are attached as Exhibit A. If you have any concerns or objections regarding the proposed sale of the assets, please confer with the emergency manager regarding those concerns. The Emergency Manager's contact information is as follows:

Dr. Peter Morikis, Emergency Manager
Gary Community School Corporation
1988 Polk Street
Gary, Indiana 46407
219-881-5401

The Gary Community School Corporation has engaged the Auctioneer to provide on-site auction services for surplus items, materials, equipment, unused items and fixtures located at facilities owned by the Gary Community School Corporation. The items to be auctioned include, but are not limited to: office supplies, text books, computers and technology equipment, student desks, office furniture, warehouse equipment and racks, cleaning equipment, tools, building materials, cleaning materials, mechanical equipment, building fixtures, vehicles, Picasso Replica named Chicago Picasso (See attached Exhibit A) and other items no longer needed by the Gary Community School Corporation.

Exhibit 13 to the Complaint

CERTIFICATE OF SERVICE

I, Tracy A. Coleman, hereby certify, that on the 29th day of January, 2019, Notice to the Mayor of the City of Gary Regarding Selling of Assets of the Gary Community School Corporation by the Emergency Manager of the Gary Community School Corporation was served upon the Mayor of the City of Gary with proper postage, by sending via certified mail return receipt requested and/or electronic delivery to the following:

VIA CERTIFIED NO.: 70180183000010679300699

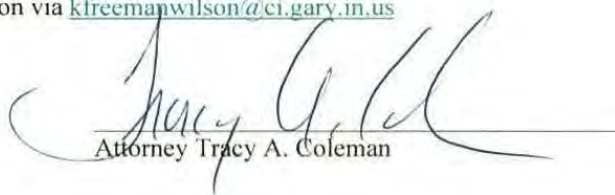
Mayor Karen Freeman-Wilson
401 Broadway
Gary, Indiana 46402

REGULAR MAIL

Mayor Karen Freeman-Wilson
401 Broadway
Gary, Indiana 46402

ELECTRONIC MAIL

Mayor Karen Freeman-Wilson via kfreemanwilson@ci.gary.in.us



Tracy A. Coleman
Attorney Tracy A. Coleman

EXHIBIT A
SELLING OF ASSETS
GARY COMMUNITY SCHOOL CORPORATION



Exhibit 13 to the Complaint



Exhibit 13 to the Complaint



Exhibit 13 to the Complaint



Exhibit 13 to the Complaint



Exhibit 13 to the Complaint

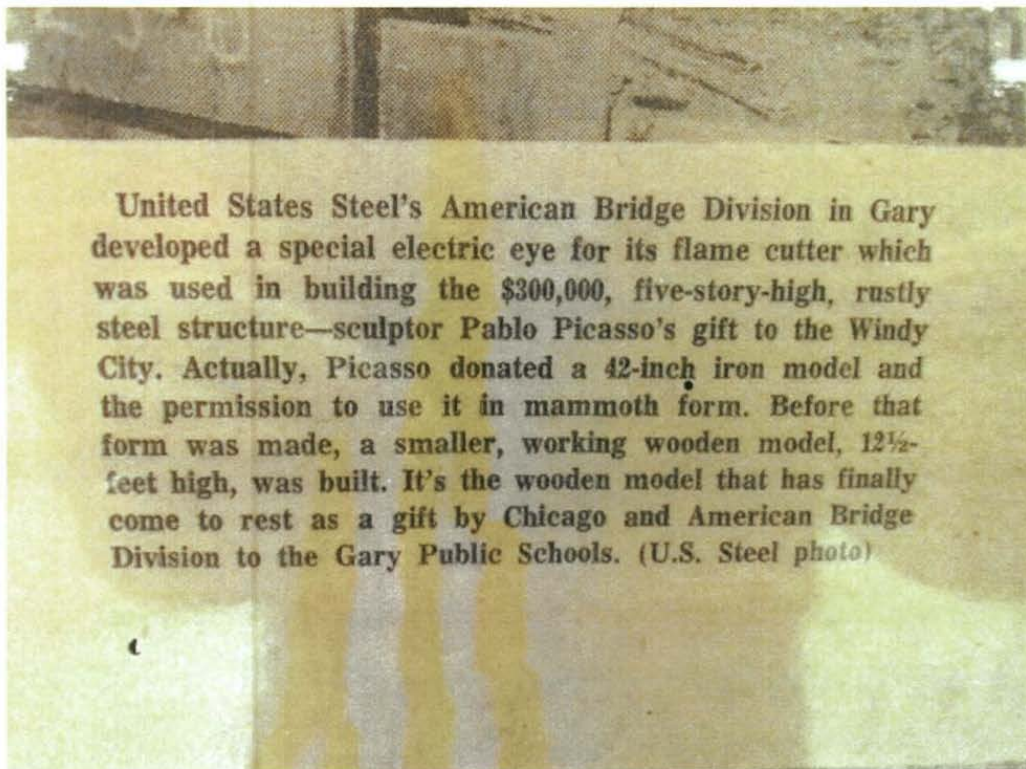


Exhibit 13 to the Complaint

