

Exhibit 15 to the Complaint

**HAND | PONIST**
HORVATH SMITH & RAYL

July 16, 2019

Via Certified Mail, Return Receipt

City of Gary 7015 0640 0002 0509 9628
c/o The Office of Corporation Counsel
401 Broadway, 1st Floor
Gary, Indiana 46402

Gary School Corporation 7015 0640 0002 0509 9611
c/o Gary Schools Recovery, LLC
150 West Market Street, Suite 800
Indianapolis, Indiana 46204

Indiana Distressed Unit Appeal Board 7015 0640 0002 0509 9604
One North Capital Avenue, Suite 900
Indianapolis, Indiana 46204

Indiana Political Subdivision 7015 0640 0002 0509 9598
Risk Management Commission
311 West Washington Street
Indianapolis, Indiana 46204

TORT CLAIM NOTICE

RE: *Claimant: Jean-Christophe Scheere*
Address of Claimant: c/o Hand Ponist Horvath Smith & Rayl, LLC
1512 N. Delaware St.
Indianapolis, IN 46202
Date of Event: January 19, 2019 – March 15, 2019

Greetings:

This Tort Claim Notice is provided pursuant to Ind. Code 34-13-3 *et seq.* to advise the above identified political subdivisions and their employees of the claims of Claimant as identified above. On or about January 19, 2019 through March 15, 2019, Jean-Christophe Scheere was the victim of tortious acts as further described herein.

The focal point of this tort claim is a wooden model of the Picasso sculpture that stands in Chicago's Daley Plaza (the "Model") that Mr. Scheere purchased from the Gary School Corporation (the "School") at an auction (the "Auction Sale") conducted by Kraft Auction Services LLC ("Kraft"). In late 2018, the Emergency Manager, Gary Schools Recovery LLC, decided that the School should sell the Model. The Emergency Manager entered into an agreement with Kraft

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to offer the Model for sale in Kraft's 42nd Anniversary Antique and Collection Auction to be held in Valparaiso, Porter County, Indiana over several days in January 2019. Kraft advertised the offering of the Model at the Auction Sale on its own website, on the websites of the major internet auction platforms, in the catalogs of various auctioneers around the world, and in local Gary newspapers.

Mr. Scheere, after learning that the Model would be offered for sale, completed Kraft's process for registering as a bidder in the Auction Sale. On January 19, 2019, Kraft opened bidding on the Model. Bids were accepted in person in Valparaiso, over the internet, and by telephone. Mr. Scheere put in his bid via telephone from Brussels, Belgium. When Kraft closed bidding the same day, Mr. Scheere's bid of \$20,000 was the highest.

On January 22, 2019, Kraft sent Mr. Scheere an email confirming that he had submitted the winning bid, congratulating him on his purchase, instructing him to wire to Kraft the amount of \$23,000 (US) as payment of the purchase price and expenses, and inviting him to make arrangements to transport the Model to his desired destination. On January 23, 2019, Mr. Scheere wired to Kraft the amount of \$23,000 (US).

Shortly after the Auction Sale of the Model was complete, Gary City Councilwoman Rebecca Wyatt, became aware that the Model had been sold. Ms. Wyatt contacted Mayor Karen Freeman-Wilson (the "Mayor") and the Emergency Manager inquiring if they had been notified of the Auction Sale as required by I.C. § 6-1.1-20.3-8.5. The Mayor acknowledged receiving a notice but claimed that the notice did not itemize the assets to be sold. Prior to the Auction Sale, the Mayor never objected to the Model being sold. After learning that the Model had been sold to Mr. Scheere, the Mayor, the School, and the Emergency Manager collectively and collaboratively decided to illegally reopen bidding from January 29, 2019 through February 28, 2019.

On or about February 27, 2019, the Mayor and Emergency Manager held a public meeting to discuss the sale of art owned by the School. During the public meeting, Ms. Wyatt expressed her anger, accusing the Emergency Manager of selling off the City of Gary's history. The next day, when no one else had bid on the Model by the close of bidding, the School, the Emergency Manager, and the City, decided to illegally extend the bidding yet again until March 15, 2019.

Meanwhile, Mr. Scheere was completely unaware that the School, the Emergency Manager, and the City were acting in concert to deny him his legal rights to the Model that he had lawfully purchased. While they schemed on how to get out of the purchase contract, Mr. Scheere was contacting companies that specialized in transporting artwork to have the Model shipped to Belgium. Between January 19, 2019 and March 14, 2019, not a single person, office, or entity notified Mr. Scheere that there was a question about the validity of the Auction Sale. It was not until March 14, 2019, the day prior to the expiration of the extended bidding process, that Mr. Scheere was finally notified by Kraft that the School, Emergency Manager, and the City had decided to put the Model back up for auction. By then, it was too late for Mr. Scheere to take legal action to stop the purported second sale of the Model. When bidding closed on March 15, 2019, Paul Terrault, was announced as the highest bidder with a bid of \$40,500.

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Mr. Scheere requested possession of the Model, but was denied possession by the School, the City, and the Emergency Manager. While the Mayor believed that the sale to Mr. Scheere was not valid, she was wholly incorrect in her understanding of the authority given to the Emergency Manager. While Indiana Code § 6-1.1-20.3-8.5(b) states that the Emergency Manager shall notify the Mayor at least 30 days in advance of selling assets, the statute does not require that the notice be itemized. The Mayor was notified at least 30 days before the Auction Sale, but she did not object or raise any concerns. Therefore, the notice served its statutory purpose and the sale was properly authorized. Moreover, the Auction Sale was valid even if the Emergency Manager did not satisfy the statutory requirement for notice to the Mayor because the requirement to furnish notice to the Mayor is an obligation of the Emergency Manager, similar to other reporting obligations the statute imposes on the Emergency Manager and not a condition to the Emergency Manager's authority to cause the sale or transfer of assets or property of the School Corporation. That authority to sell exists whether the Emergency Manager gave perfect notice, flawed notice, or even no notice at all. The statute gives the Mayor the right to be heard by the Emergency Manager, but not the power to stop a sale or transfer, and it gives the Emergency Manager the obligation to confer with the Mayor, but not to honor her preferences.

Under I.C. § 26-1-2-328(2), "A sale by auction is complete when the auctioneer so announces by the fall of the hammer or in other customary manner," and I.C. § 26-1-2-106 defines a "sale" as the passing of title from the seller to the buyer. Accordingly, when Kraft announced the closing of bids at the Auction Sale on January 19, 2019 (whether by the fall of a hammer, by announcing "sold," or otherwise), title to the Model passed immediately to the highest bidder, Mr. Scheere. Once the bidding Auction Sale closed on January 19, 2019, neither Kraft, nor the School, nor the Emergency Manager, nor the City had any lawful power or authority to cancel or revoke the sale of the Model to Mr. Scheere. After the Auction Sale, the School held no title because all title it previously held passed to Mr. Scheere. After Mr. Scheere paid for the Model, he held not only title but also an exclusive, unqualified, unconditional right to immediate possession.

Since March of 2019, Mr. Scheere has made multiple demands for possession of the Model as the legal and rightful owner. However, the City, the School, and the Emergency Manager, have failed to turn over possession of the Model to Mr. Scheere.

As a result of the above-mentioned facts and issues, the City of Gary is liable for the following:

1. Civil Conversion:
 - a. The City acted both individually and in concert with the School, the Emergency Manager, and Kraft to appropriate the Model for their own use and benefit in defiance of Mr. Scheere's rights.
2. Action under the Crime Victim's Relief Act for Criminal Conversion:
 - a. The City knowingly or intentionally exerted the unauthorized control over the property of Mr. Scheere.

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3. Tortious Interference with Contract:

- a. Mr. Scheere had a valid contract for the purchase of the Model with the School. The City knew of the existence of said contract and the City's actions intentionally induced the breach of said contract with no legal basis, and as a result Mr. Scheere has been damaged.

As a result of the above-mentioned facts and issues, the School is liable for the following:

1. Civil Conversion:

- a. The School acted both individually and in concert with the City, the Emergency Manager, and Kraft to appropriate the Model for their own use and benefit in defiance of Mr. Scheere's rights.

2. Action under the Crime Victim's Relief Act for Criminal Conversion:

- a. The School knowingly or intentionally exerted the unauthorized control over the property of Mr. Scheere.

Mr. Scheere's damages include, but are not limited to, property damage, loss of a contract, treble damages, costs of this action, and attorney's fees. Mr. Scheere advises that should he not receive the Model that he rightfully purchased promptly, his damages arising hereunder may exceed \$150,000.00.

Pursuant to Indiana Code § 34-13-3-6, "if notice to the state agency involved is filed with the wrong state agency, that error does not bar a claim if the claimant reasonably attempts to determine and serve notice on the right state agency." Therefore, we respectfully request that if you are not the proper agency to receive this notice, and the proper agency is not included above, that you promptly notify us in order that we may serve notice on the correct agency. Please contact us if the information provided is insufficient for you to investigate this claim, or if you need any additional information regarding this claim.

Very truly yours,

HAND | PONIST



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