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Judge vindicates Newport art dealer over sale of painting

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Judith Goffman Cutler points out details in the work "The Runaway" in the Norman Rockwell exhibit at the National Museum of American Illustration, in Newport.

AP / Charles Krupa

NEWPORT — Ever since the FBI announced in 2007 that she sold Steven Spielberg a stolen Norman Rockwell painting — spurring the victim of the 1973 art heist to sue and criticize her amid a media frenzy — art dealer Judith Goffman Cutler has hoped for one thing.

A happy Hollywood ending. Like Spielberg would film.

Last week, Cutler got just that. A federal judge in Nevada found that Cutler, contrary to allegations made by the original owner, did strive to verify that the provenance of "Russian Schoolroom" was unbesmirched. He also concluded that Cutler — not the art dealer targeted by thieves 37 years ago — is the rightful owner of the painting, now worth an estimated \$800,000.

“Once you are associated with selling a stolen painting, there is always a cloud over you ... It’s like a scarlet letter. The only way to clear your name is to go all way to the end ... and not to settle. I knew what I did was right,” said Cutler. “It wasn’t comfortable. It was a horrible three years.

“Finally,” she said. “Justice.”

Now, Cutler and her husband, Laurence, plan to add “Russian Schoolroom” to the collection of Rockwells at the National Museum of American Illustration, which they founded and operate on Newport’s prestigious Bellevue Avenue. They hope it will make a grand appearance at this summer’s 10th anniversary celebration of the public opening of the museum, which will include the presentation of awards to supporters Whoopi Goldberg and Tom Wolfe.

Rockwell, inspired by a visit to the Soviet Union, painted “Russian Schoolroom” in 1967, six years before its theft. It appeared on the cover of Look magazine and depicts students at their desks, all fixated on a bust of Lenin except one boy who is gazing out of a window. Cutler, who also owns an art gallery in New York City, bought the painting at auction in New Orleans in 1988 for \$70,400.

But what she didn’t know was that in 1973, someone smashed a window of an art gallery outside St. Louis, Mo., and made off with “Russian Schoolroom.” Owner Jack Solomon received a \$20,000 insurance settlement.

Cutler, who has sold more than 50 Rockwells to Spielberg over the years and visited his Pacific Palisades home, interested the movie mogul in “Russian Schoolroom.” He bought it for \$200,000.

Eighteen years passed before Cutler received a disturbing phone call in 2007. It was the FBI, calling to inform her that she had sold Spielberg a stolen painting. The case did not result in criminal charges, but Solomon sued for the painting, alleging that Cutler should have known it was stolen.

Since 2007, however, Cutler’s lawyers uncovered evidence suggesting that not only did Solomon apparently know about Cutler’s purchase of the painting in 1988, he also received a share of what Cutler paid for it. He struck a deal in which his former insurer would be reimbursed \$20,000 and he would get a substantial share of the sale proceeds, Chief Judge Roger L. Hunt wrote in his decision. Solomon’s denial at trial, said the judge, “was not credible.”

“There is some degree of anger in me that this man who benefited from this when it was stolen, by collecting insurance, and then in 1988, when he got most of the proceeds from the auction, which was Judy’s money, in 2007 tried to get paid a third time. It’s just so outrageous,” said Laurence Cutler.

The judge also determined that the statute of limitations had run out on any claim Solomon might have. And, much to Cutler’s delight, he concluded that her investigation of the painting’s ownership history at the time she bought it “met the standard of care for art dealers in the industry.”

After the controversy over “Russian Schoolroom” erupted, the Cutlers traded Spielberg the tainted painting for another Rockwell to disentangle the filmmaker from the legal wranglings. That’s why the judge awarded ownership to Cutler.

Cutler had also sought \$25 million in damages, asserting that her longtime business relationship with Spielberg had been harmed. Spielberg’s lawyers actually filed suit against Cutler at one point to protect his interests.

But Spielberg, who was deposed for the civil trial, was asked if he would buy another painting from Cutler. Yes, he answered.

“Our whole case for damages went right out the window,” said Laurence Cutler, laughing. But, he added, “We were happier to hear Steven’s attitude.”

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