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Russian Billionaire Slaps Sotheby's With $380 Million Lawsuit

By Bloomberg

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Dmitry Rybolovlev (Panoramic / ZUMAPRESS / TASS)

The epic international legal drama that has pitted a Russian billionaire against a Swiss art entrepreneur took a new turn on Tuesday with Dmitry Rybolovlev slapping Sotheby's auction house with a $380 million lawsuit in New York.

Rybolovlev, who sold two Russian fertilizer producers for almost $7.5 billion in 2010 and 2011, has been pursuing Yves Bouvier around the globe for several years, claiming the art dealer owes him more than $1 billion. Rybolovlev accused Bouvier of overcharging him on 38 artworks that he purchased for $2 billion over more than a decade.

Rybolovlev's companies sued Sotheby's Tuesday in Manhattan federal court, alleging that the auction house "materially assisted the largest art fraud in history."

Rybolovlev says Bouvier lied to him about how much it cost to purchase paintings and

pocketed the difference. “Sotheby’s was the willing auction house that knowingly and intentionally made the fraud possible" because it knew how much Bouvier paid the sellers, according to the complaint.

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Of the 38 works Rybolovlev bought from Bouvier, Sotheby’s had a hand in the sale of almost one-third of them to Bouvier, according to the complaint.

“Mr. Rybolovlev’s latest desperate lawsuit is entirely without merit," Sotheby’s said in a statement. “The false allegations that Mr. Rybolovlev is making are already being litigated in the Swiss courts, which is the appropriate venue for this case.”

Sotheby’s said it’ll ask the New York judge to throw out the lawsuit.

Daniel Walter Levy, Bouvier’s lawyer, said he couldn’t immediately comment on the new lawsuit.

More on Rybolovlev’s fight in Europe

Sotheby’s and Bouvier jointly sued Rybolovlev in Geneva in 2017 to block the Russian’s planned lawsuit in the U.K. The auction house said it’ll pursue the Swiss case, where it’s seeking a declaration that it didn’t engage in any wrongdoing.

Rybolovlev’s lawyers have sought for months a broader airing of documents that Sotheby’s produced as part of legal proceedings related to the Rybolovlev-Bouvier feud in Monaco, Singapore and France. Those filings haven’t been made public. The New York lawsuit might allow Rybolovlev to use those documents.

Among the transactions that Sotheby’s was involved in, according to the new lawsuit, were a nude by Amedeo Modigliani bought by Rybolovlev for $95 million in 2011; Gustav Klimt’s “Wasserschlangen II" bought for $183.8 million in 2012; and Leonardo da Vinci’s “Salvator Mundi” bought for $118 million in 2013.

Sotheby’s knew that Bouvier represented Rybolovlev, according to court papers. Sotheby’s has disputed that.

“It strategized to sell plaintiff’s art through Bouvier and approached Bouvier about new opportunities for plaintiffs,” Rybolovlev claimed in the complaint. “By brokering sales to Bouvier at certain prices, sending Bouvier emails designed to encourage plaintiffs to pay inflated prices, and misleadingly appraising works at inflated prices, Sotheby’s participated in Bouvier’s breach of his fiduciary duties to plaintiffs."

Bouvier has said that he wasn’t Rybolovlev’s agent, but bought the paintings on his own and resold them to the Russian businessman.

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