

Regina Madigan
Appraisals

Fine Arts & Antiques

- Zóbel -

February 1, 2013

Mr. Myron Hofer
35 E. 85th Street, Apt. 12E
New York, NY 10028

Dear Myron,

Enclosed please find my appraisal reports: one for the gift tax with twelve items, and the other which includes the two Zóbel paintings. Also enclosed is my invoice. Per your instructions, I have sent copies of the reports to Amy and Margi.

I would be happy to provide some guidance on the Zóbel paintings, so let me know if I can be of assistance.

It has been a pleasure to work with you, Margi, and Amy; and so nice to visit your Cornwall home – the moss on the stone walls driving in is so lush and lovely!

Of course, call or e-mail with any questions or comments.

Sincerely,

Regina Madigan
Regina Madigan Appraisals

RM/cmj
enclosures

cc: Amy Guss, Esq., Satterlee, Stephens, Burke & Burke
Margi Hofer

SCOPE OF WORK:
APPRAISAL METHOD
AND
DEFINITION OF VALUE

Regina Madigan of **Regina Madigan Appraisals** performed the attached appraisal of two paintings belonging to Adeline and Myron Hofer, and located at 170 Lake Road, Cornwall, CT, on December 14, 2012. The appraisal was done at the request of Myron Hofer.

The purpose of the appraisal is to establish the Fair Market Value of the two paintings belonging to Adeline and Myron Hofer for estate planning purposes.

Fair Market Value as defined by IRS Publication 561 is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell, and both having reasonable knowledge of relevant facts.

The "comparative market data" approach was used in arriving at the appraised Fair Market Value. The "income" approach and the "cost" approach were considered and deemed inappropriate for this appraisal. The comparative market data approach is defined as the valuation method used to determine the price which one would pay for another work of equal value by the same artist, craftsman or manufacturer or one whose reputation is considered to be on the same level.

The paintings included in this report were examined by Regina Madigan in order to identify medium, style, quality, date and condition. They were examined in a household setting, using incandescent lighting and daylight. Lighting was considered adequate. The paintings were not blacklighted.

Information regarding the paintings and how they were acquired was provided verbally to the appraiser by the client. Signatures and markings were noted.

SCOPE OF WORK:
APPRAISAL METHOD
AND
DEFINITION OF VALUE (continued)

Recent sales of comparable articles at international fine art auctions and public sales, have been compiled and analyzed. The mid to high-range auction market was applied to the pieces included herein. Adjustments have been made for each article which consider age, condition, rarity, artistic merit, technical workmanship, current trends, and availability of an article as compared to such recent sales. The following auction databases may have been consulted: AskArt, Artifact, and ArtPrice.

Individual comparables, gallery and auction sources for the two paintings included in this report are noted in the body of the report and will be kept on file in the offices of **Regina Madigan Appraisals**. These records will be kept on file for at least five years from the date of this report.

The analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the 2010-11 Uniform Standards of Professional Appraisal Practice (USPAP), the Congressionally recognized set of appraisal standards promulgated by the Appraisal Foundation. In September of 2011, Ms. Madigan successfully completed the 15-hour update course and re-examination on USPAP, effective through September 2013. She has been current with USPAP since 1989.

This report was prepared solely for the use of Adeline and Myron Hofer, and their advisors, for planning purposes. This report is considered to be a summary appraisal report according to the rules of Uniform Standards of Professional Appraisal Practice (USPAP).

The appraiser understands that a substantial or gross valuation misstatement of the value of the property listed herein in connection with a return may subject her to a civil penalty under IRS regulation 6695A. Ms. Madigan has not been disqualified by the IRS.

APPRAISER'S CERTIFICATION

I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF:

The statements of fact contained in this report are true and correct.

The appraised values are my professional, unbiased and studied opinion. The reported analyses, opinions, and conclusions are limited only by any reported assumptions and limiting conditions.

The assumptions and limiting conditions relating to this report are:

- The stated owners, Adeline and Myron Hofer, hold good title to the two paintings included in this report.
- The paintings were not removed from their frames for the purpose of examination. Consequently, the assigned value does not consider any damage that is not visible in the framed image nor any attributes or detractors obscured by the frame.
- All dimensions are approximate.
- All items are in good condition unless otherwise noted.
- This appraisal consists of 11 pages and must be presented in its entirety to be valid.
- The appraiser is not required to give testimony, be present in any court of law, or appear before any commission or board by reason of this appraisal in accordance with the law, unless prior arrangements have been made with the appraiser.
- The prices noted are not a representation or warranty that the items will realize that value if offered for sale at an auction or otherwise. The values expressed are based on current information available on the date the appraisal was made. No opinion is hereby expressed as to any future value, nor any past value.
- The appraiser believes that any information provided by others is reliable, but is not guaranteed by this appraiser; this includes information received verbally, in writing, or electronically.
- The client has agreed to indemnify, defend, and hold me harmless from and against any actions, claims, liabilities, or expenses incurred, as a result of claims based on, or arising from, this appraisal by third parties unrelated to the immediate purpose of this appraisal.

APPRAISER'S CERTIFICATION (cont'd)

- Although the appraiser has exercised diligence in research work, this appraisal is based on the apparent identity of the objects appraised and no further opinion nor guarantee of authenticity, genuineness, attribution, or authorship is made.
- This appraisal may not be used in whole or in part by any individual for any purpose other than that which is noted herein, without the express written permission of Regina Madigan of **Regina Madigan Appraisals**.

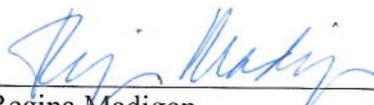
I have no present interest, nor contemplated future interest, in the property that is the subject of this report. I have no bias regarding the property included in this report.

I have made a personal inspection of the property that is the subject of this report.

My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of subsequent event. My fee is based on an hourly rate.

I am a qualified appraiser of Antiques, Fine Arts and Household Contents. A page stating my qualifications and experience is part of this report.

Data entry, editing, research and report preparation assistance was provided by Cheryl Janer. No others have provided significant professional assistance to me.



Regina Madigan
Regina Madigan Appraisals



Date

Federal Tax ID number: 06-1430585

VALUATION SUMMARY
AND
RELEVANT DATES

Total pages of report: 11

Total number of articles or groups of articles appraised: 2

Total value of property in appraisal: \$145,000.

Examination date: December 14, 2012

Valuation date: December 14, 2012

Issue date: February 1, 2013

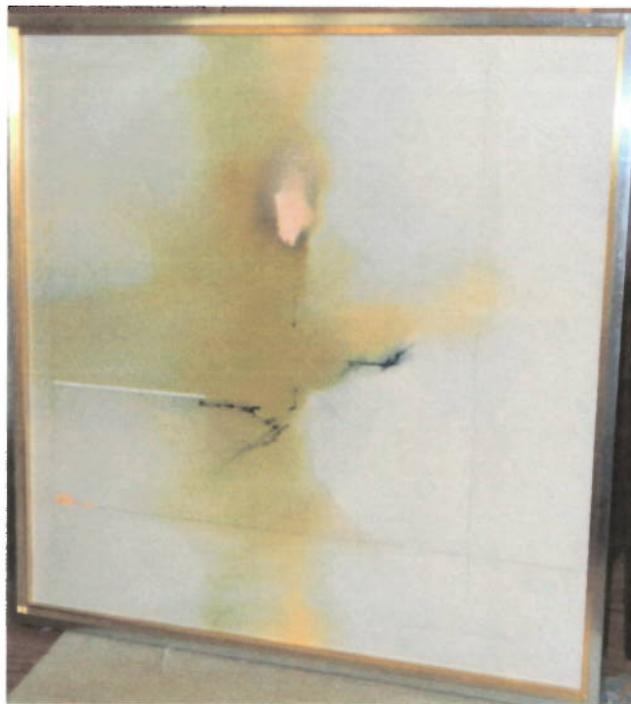
\$80,000.

1. Fernando Zóbel de Ayala (Filipino 1924-1984), oil on canvas, entitled "La Vista...", abstract with gold and chartreuse, blocks of grey and light tan, with black and orange lines, signed in pencil and inscribed and dated LL in Spanish "La vista desde la ventana...La Hoz del Júcar...", Cuenca, 26 de Abril 1972", entitled verso, labels verso: "Dr. Myron Hofer...New York, New York", and "Kulicke Frames" label dated 12/15/77, cross stretcher support, silver gilt frame with round molded edge; 39³/₈" h., 39³/₈" w., very good condition, professionally conserved recently and backed with Mylar sheeting having window exposing artist's signature and title, two photographs applied to Mylar sheeting, one a color photograph of the building which houses the Museo de Arte Abstracto Español in the "hanging houses" of Cuenca, Spain, the other a black and white photograph of the artist.

It is interesting to note that the inscription on the front of the canvas with the title, date and artist's signature, was something Zóbel did only when the artwork was dedicated as a gift to a relative or close friend. (This information from a Christie's catalogue entry, Sale 2906, Lot #2216)



- \$65,000. 2. Fernando Zóbel de Ayala (Filipino 1924-1984), oil on canvas, entitled "La Rosa De Cili", abstract with light olive green, accented with spots of pale coral and black lines, signed LR, signed, dated (Marzo 1972/Enero 1973) and entitled verso, also inscribed "73-11", silvered frame with gilt lining; 31 $\frac{5}{8}$ " h., 31 $\frac{5}{8}$ " w., very good condition, professionally conserved recently and backed with Mylar sheeting having two windows, one exposing the title and the other, the artist's signature and dates, some repairs to finish on frame.



\$145,000. TOTAL APPRAISED VALUE

LEGEND

LL = Lower Left
LR = Lower Right

Fernando Zóbel was born in the Philippines, was a citizen of Spain, and grew up in the Philippines, Spain, the United States, and Switzerland. Although the artist's early work was representational, by the late 1950's his work was nearly all abstract.

Zóbel produced several series of paintings which figure prominently in the artist's oeuvre. One was "La Vista", based on the view from his studio window in Cuenca, Spain, overlooking the Júcar River Gorge, one of the artist's favorite subjects. Item #1 in this appraisal, entitled "La Vista", is from that series.

Considered a pioneer of Philippine art, and a prominent artist of the Asian abstract movement, his work has a strong following in the Asian market. The prices of the comparables noted in this report speak to the market differential between Spain and Asia, with his work bringing considerably higher prices in Hong Kong than in Madrid, for comparable paintings. Most likely, this is in part due to the economic situation in Spain at the time of the sales, but his work rarely appears at public auction elsewhere.

There seems to be little or no consistency in the auction pricing based on size, subject matter, or date created. Most of the works offered in the 20 months preceding the valuation date sold over estimate – very few were "bought in" i.e. not sold because they did not meet a reserve.

In 2006-2007, the Asian Art Museum in San Francisco, CA presented its first exhibition of Filipino Art and Zóbel was one of the three masters whose work was exhibited. As an active collector, as well as prolific artist, Zóbel was instrumental in the founding of the Ayala Museum in Manila and the Museum of Spanish Abstract Art in Cuenca, Spain.

HOFER APPRAISAL
SUMMARY REPORT - FAIR MARKET VALUE
DECEMBER 14, 2012
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Date, Location of Sale & Lot #	Title, Medium and Date of Work	Size	Estimate	Price Realized (including premium)
12/18 - 12/20/2012 Subastas Segre, Madrid Lot #130	La Vista XXIV (Diagonal y horizontal en barrido) Oil on canvas 1974	47 1/4" x 47 1/4"		\$53,438.
12/3/2012 Sotheby's, Hong Kong Lot #10	La Presa XIII Oil on canvas 1981	39 1/3" x 39 1/3"	\$41,056.-66,720.	\$87,240.
11/25/2012 Christie's, Hong Kong Lot #226	La Piedra II Oil on canvas 1973	31 1/2" x 31 1/2"	\$38,490.-51,320.	\$71,850.
11/25/2012 Christie's, Hong Kong Lot #227	Júcar XV Oil on canvas 1972	39 1/2" x 39 1/2"	\$38,490.-51,320.	\$87,240.

HOFER APPRAISAL
SUMMARY REPORT - FAIR MARKET VALUE
DECEMBER 14, 2012
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Date, Location of Sale & Lot #	Title, Medium and Date of Work	Size	Estimate	Price Realized (including premium)
9/18 - 9/20/2012 Subastas Segre, Madrid Lot #118.	La Piedra VII. Oil on canvas 1975	31½" x 39⅓"		\$41,088.
5/27/2012 Christie's, Hong Kong Lot #2216	La Vista-40 Oil on canvas 1975	47¼" x 58¼"	\$57,740.-83,400.	\$64,150.
5/27/2012 Christie's, Hong Kong Lot #2217	Esbozo de Gesto (Slow Movement) Oil on canvas 1964	31¾" x 50¼"	\$19,245.-32,075.	\$56,130.
11/27/2011 Christie's, Hong Kong Lot #1174	Bodegón con Ventana Blanca (Still Life with a White Window) Oil on canvas 1967	35" x 45½"	\$30,792.-51,320.	\$87,240.
5/30/2011 Christie's Hong Kong Lot #1766	La Piedra IV Oil on canvas Not dated	47¾" x 56"	\$35,924.-44,905.	\$202,710.

Regina Madigan Appraisals was established in 1995. The firm, founded by Ms. Madigan, provides personal property appraisals of fine arts, antiques and general household contents, in addition to consulting on all matters relating to personal property. Since 1979, Ms. Madigan has worked with bankers, attorneys, museum curators and private individuals, providing appraisals for estate settlement, insurance, donation, divorce and equitable distribution purposes.

Ms. Madigan was graduated from the University of New Hampshire in 1974 with a BA, majoring in the Arts (Studio Art). Her professional career began in 1975 at Strawberry Banke®, Inc., an historic preservation museum in Portsmouth, NH, where she held positions as Registrar, Supervisor of Collections and Acting Curator.

In 1979, after returning to her native Connecticut, she co-founded Winter Associates, Inc., an auction and appraisal firm, and served as the corporation's president from 1984 until 1995. Her experience in the auction business has provided her with insight into the nuances of the antiques and fine arts markets.

Ms. Madigan actively pursues her education and professional affiliations, attending conferences, seminars and symposia on various topics relating to the arts, art law and the appraisal fields, in addition to lectures on Fine and Decorative Arts at regional museums and institutions.

In September 2011 (effective through September 2013) she successfully completed the 15-hour course and examination on Uniform Standards of Professional Appraisal Practice (USPAP), the Congressionally recognized set of appraisal standards promulgated by the Appraisal Foundation.

Ms. Madigan serves on the Board of Trustees and the Collections Steering Committee at the Connecticut Historical Society Museum, and on the Collections Committee at the Mark Twain House & Museum, both in Hartford. She has served on expert panels of antiques and fine arts specialists for appraisal events sponsored by CPTV, the Antiquarian and Landmarks Society, the Hartford Courant and others.