

Who Owns A-Rod's World Series Ring?

By Silvia Hsieh A legal battle is brewing over who owns Alex Rodriguez' World Series replica ring. Considering A-Rod's was MIA through spring training following hip surgery and the fresh news that investigators want to ask him what he knows about a Florida lab accused of peddling performance enhancing drugs, it might seem like eons ago, but back in the heady aftermath of winning his only World Series in 2009, A-Rod had several World Series replica rings made to give to friends and family. The diamond-studded face shows off the Yankees logo and carved into 14-karat white gold are the words "World Champions 2009" on one side and "Rodriguez" on the other. One of the recipients of the bling was A-Rod's cousin, Yuri Sucart, best known for allegedly turning the Yankee third baseman onto steroids. Sucart filed for bankruptcy in April 2011, and now the bankruptcy trustee claims that the ring belongs to the estate to be liquidated to pay off Sucart's creditors. Legal ownership is further complicated because Sucart has sold the ring to a collector for \$10,000 who put it up for auction. The bidding has already topped \$33,000 and is expected to reach \$40,000 before bidding closes on Apr. 5. **'Serious explaining to do'**

Before we get to the legal mystery of who owns the ring, the case points out some good advice for anyone who files for bankruptcy about declaring your assets. According to bankruptcy attorney Robert Rock, if Sucart didn't mention that he owned A-Rod's World Series ring on his schedule of assets when he filed for bankruptcy, Sucart has a bigger headache than losing a few thousand dollars. "If he filed for bankruptcy in April 2011 and sold the ring in Dec. 2012, he's got some serious explaining to do. He could be guilty of bankruptcy crimes for filing false statements with the court, he's probably not entitled to a discharge, and he'll lose the ring. If that's the scenario, he's in a world of hurt," said Rock, of the law firm Tully Rinckey. Bankruptcy gives you relief from debt and a discharge of your debts only if you fully disclose your assets. Bankruptcy trustees have been known to size up the debtor on their first meeting, compliment her on a fancy piece of jewelry, then make her take it off and hand it over on the spot, Rock said. **Who owns the ring?**

Who gets the ring – or the money it sells for – depends on when Sucart received it and how much he got for it. If Sucart filed for bankruptcy before he received the ring from cousin Alex, then he owns it. "The bankruptcy estate is a snapshot of what you own at the time you file for bankruptcy," Rock says, noting that there are a few exceptions, such as an inheritance, that are included in the estate even if they are acquired after filing. As mentioned above, if Sucart owned the ring when he filed for bankruptcy, it's the property of the estate and Sucart is in big trouble. If Sucart sold the ring for less than its fair value, then the bankruptcy trustee may go after it as a fraudulent transfer. For example, if Sucart had a deal with the buyer, John Battaglia, to pay him a discounted price and then give him a cut of the proceeds after auction, the trustee will try to void the transfer if it happened within two years before the bankruptcy filing. "Here, if he had sold the ring in Dec. 2009 and filed bankruptcy in April 2011, it's still within two years, and the question becomes whether he received a 'reasonably equivalent value' for the ring," Rock said. **Buyer beware**

A final lesson is for anyone who buys an item not knowing that the seller is bankrupt. In this case, Battaglia, a Florida collector, purchased it from Sucart with a certificate of authenticity. If he bought the ring as a bona fide purchase for value, Battaglia doesn't lose the \$10,000 he paid, says Rock, who added that he does not know of any rule requiring a collector to do a search to make sure a seller isn't bankrupt. Also, whoever buys the ring from Goldin Auctions is safe, Rock said. But the auction house may have trouble collecting its fee, and Battaglia may be out of luck in getting anything else out of the consigned auction sale, or getting back his marketing costs and legal bills resulting from the dispute. "A lot of times these things settle and the trustee and the collector divide the pie," Rock said.