

DAILY NEWS

I-TEAM

New Jersey federal judge allows lawsuit over authenticity of memorabilia supplied by Peter Nash, who was Pete Nice of rap group 3rd Bass

Lawsuit over sports memorabilia allowed to go forward

BY [MICHAEL O'KEEFFE](#) / NEW YORK DAILY NEWS

PUBLISHED: SUNDAY, APRIL 15, 2012, 12:28 AM

UPDATED: SUNDAY, APRIL 15, 2012, 11:44 AM



HANDOUT

Peter J. Nash (r.) is best known as 'Prime Minister Pete Nice' of the music group 3rd Bass.

A New Jersey federal judge has given the green light to a lawsuit that alleges a prominent auction house sold sports memorabilia supplied by former hip-hop star [Peter J. Nash](#) even though the firm's president knew there were questions about its authenticity.

The suit, filed last year by Westchester collector [Corey Shanus](#), claims that Robert Edward Auctions and its president, [Rob Lifson](#), knew items supplied by Nash — best known as “Prime Minister Pete Nice” of the early 1990s group 3rd Bass (pronounced “base”) — were not authentic but allowed Shanus to purchase them anyway.

U.S. District Court Judge Dennis M. Cavanaugh denied a motion to dismiss the suit, which alleges fraud and breach of contract, in an opinion issued on March 26. REA attorney [Barry Kozyra](#) had argued that the case should be dismissed because the statute of limitations had expired and that the auction house expressly disclaimed any warranties.

REA and Lifson have denied the allegations in the suit, and Kozyra is expected to file an answer to the judge's ruling later this month.

Shanus is a Westchester attorney whose sports memorabilia collection is regarded as one of the best in the world. His lawsuit alleges that Lifson knew there were “serious questions” about items Nash had supplied to various auctions.

In 2003, for example, Shanus purchased a purported 1853 New York Knickerbocker Trophy Ball for more than \$161,000 through Mastro Auctions, the sports memorabilia giant that went out of business in the midst of an FBI investigation in 2009. The suit filed by New York attorney [Tab Rosenfeld](#) claims Lifson, then a Mastro executive, knew that there were questions about the authenticity of the trophy ball but did not share them with Shanus.

"Plaintiff was advised by an FBI agent investigating Mastro Net, that as early as 2003, Lifson and other individuals at Mastro Net knew or had reason to believe that the 1853 Trophy Ball was not authentic," Cavanaugh wrote in his March opinion, citing Shanus' complaint.

The lawsuit claims Lifson repeatedly assured Shanus that the Nash items were authentic and did not disclose any concerns until 2009. Shanus finally had the 1853 Trophy Ball and an 1861 Trophy Ball tested in 2009; the firm that conducted the test concluded both were fraudulent.

Nash became a full-time memorabilia dealer and baseball historian after his hip-hop career faded, and he now runs a website that is dedicated to uncovering fraud in the memorabilia industry. His primary objective, it seems, is to accuse the legendary collector [Barry Halper](#), who died in 2005, of fraud. But the self-styled crusader has been embroiled in a series of legal and financial battles in recent years, and sources have told the Daily News that the FBI has questioned them about Nash.

One of those legal battles, Shanus alleges, motivated Lifson to withhold his concerns about the authenticity of the Nash items. REA, which had loaned Nash almost \$1 million, accepted a cache of memorabilia as collateral. The suit says Lifson sold the items even though there were concerns about their authenticity.

Lifson won a \$760,000 judgment in 2008 from Nash, who signed a court order that acknowledged he committed fraud. The REA president continues to battle with Nash to recover the award, and a Manhattan judge ruled last year that Nash and his wife, Roxanne, were in contempt of court for failing to provide tax returns and other financial records. The judge also issued an order of commitment — a bench warrant — ordering law-enforcement officials to bring Nash to his court.

In papers filed with the Manhattan court last month, Lifson's attorney suggests that Nash may have committed tax fraud. In an earlier filing responding to demands for tax returns from 2005 to 2009, Nash says he has provided everything that he and the Internal Revenue Service have in their possession.

"Respondents are either lying about an inability to produce income tax returns for those years," wrote [Mark Eberle](#), another REA attorney, referring to Nash and his wife, "or they failed to report their income to the taxing authorities for those years."

Nash's legal problems have even cast a shadow on his father, [Ray Nash](#), the outgoing president of Brooklyn's Bishop Ford High School and the Falcons' former basketball coach, who used more than \$50,000 in school development funds to stop a bank from foreclosing on his son's Cooperstown home.

Peter J. Nash later borrowed money from a New Jersey collector so his father could pay back the money after school officials found that it was missing. Nash gave the collector, [Al Angelo](#), memorabilia as collateral for that loan. Lifson cried foul, saying that memorabilia should have been given to him to help pay off Nash's judgment.

Bishop Ford officials agreed to pay \$53,000 to settle a lawsuit filed by REA that claimed the Brooklyn school interfered with its attempts to collect the judgment from Nash. [Brooklyn District Attorney Charles Hynes'](#) office investigated the incident but declined to file charges, saying Ray Nash had not demonstrated "criminal intent" when he took the Catholic high school's money.