

# COMMENTS ON THE ART MARKET

## VOLUME 194

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Rehs Contemporary Galleries, Inc.  
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### Website Upgrade

Over the past couple of months, we have been working on a new feature for the contemporary side of our website – Purchase. We are pleased to announce that U.S. collectors can now purchase any work priced up to \$10,000 with the click of a button.

The process is simple:

1. Click the blue Purchase button next to the work of art
2. Select the sales tax option
3. Select the shipping option
4. Click the Purchase button again and you will be whisked off to Paypal
5. You can then either log into your Paypal account, or decide to pay as a guest – Pay with Debit or Credit Card (at the bottom)

Purchasing a work from the gallery has never been easier ... give it a try ... you may really like it!

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### Upcoming Shows and Fairs

Over the next few months I see a lot of traveling in store for us ... going from north to south and coast to coast. Below is a listing with dates and locations:

#### February, 2017

February 15<sup>th</sup> – 21<sup>st</sup> is the Palm Beach Jewelry, Art and Antique Show. For a complimentary General Admission ticket visit our website.

The next weekend we will head west (west coast of Florida that is):

February 24<sup>th</sup> – 28<sup>th</sup> is the Naples Art, Antique & Jewelry Show. If you would like a complimentary General Admission ticket, please check our website.

#### March, 2017

March 16<sup>th</sup> – 19<sup>th</sup> we will exhibit at the Charleston Antiques Show. Please contact us if you are interested in attending since we only have 10 complimentary tickets.

#### April, 2017

April 27<sup>th</sup> – 30<sup>th</sup> is Art Market San Francisco ... another new one. Here, Lance and Alyssa will be exhibiting a carefully curated group of works by some of their favorite contemporary artists.

And wait, we are not finished!

#### May, 2017

May 4<sup>th</sup> – May 26<sup>th</sup> is *Skin & Tonic* at Rehs Contemporary Galleries in NYC. This exhibition features the works of David Palumbo and Todd M. Casey. More on this exciting exhibit in our next newsletter.

May 18<sup>th</sup> – 21<sup>st</sup> we will be participating in the new Chicago Antiques + Art + Design Show at the Chicago Merchandise Mart. Stay tuned for more information.

Boy, I am already tired just writing about this!

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## Stocks

By: Howard

The first month of the new year is behind us and the markets seem to be holding: the Euro closed at \$1.079 (up a little); the Pound also gained a little - \$1.2573; Crude dropped just a little -- closing at \$52.78; and Gold made a nice jump – closing at \$1,212.60. As for the DOW ... we closed last month at 19,764, by the 25th we hit 20,068 (WOW), but it just could not hold on and over the next few days it retreated to close out the month at 19,864 ... still a 100 point gain from last month – good for some, but not others ... me! Now I did get a laugh at one headline I saw on the 31<sup>st</sup> ... Dow plunges AGAIN: US Index drops 150 points to post worst two-day loss in three months (THE DOW Jones Industrial Average has dived sharply again, plunging another 150 points in morning trading) --- that was in the Express. Come on, a 150 point drop is plunging? Give me a break!!

So, I figured with a bit of a gain I would have some good news ... well, not exactly: JP Morgan (\$84.63 – down 2.98%), Exxon (\$83.89 – down 7.7%), GE (\$29.70 – down 6.28%), AT&T (\$41.68 – down 2%), Verizon (\$49.01 – down 10.21%), Wal-Mart (\$66.74 – down 2.8%), Coke (\$41.57 – down .55%), DuPont (\$75.50 – up 2.57%), Merck (\$61.99 – up 3.06%), Disney (\$110.65 – up 4.31%), Intel (\$36.82 – up .6%), Apple (\$121.35 – up 4.48%), and my two most recent ... Apache (59.82 – down 6.21%) and Occidental (67.77 – down 6.23%). I warned you, when I buy a stock you should sell!! Here is a heads-up ... on the 31<sup>st</sup> I bought IBM and Microsoft ... forearmed is forewarned.

Continuing with my laymen's market explanation, here is January's story ... as we can see, the big boys at JPM were not very happy since the oil and phone stocks took a hit. They were frantically typing away on their computers, which in turn caused a few to burn out, and they had to replace them (a good thing for Intel and Apple). With all the pressure, they sent out for more Belsomra, Cozaar, Maxalt and Remeron (Merck liked that). Now I am still trying to figure out what happened with Disney ... my best guess is that with all the stress, they needed to get the wives and kids out of the house so they sent them to Orlando for the weekend!

Looks like we are in for an interesting ride this year ... all aboard – toot! toot!

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## The Dark Side

By: Alyssa

In several recent newsletters, I have discussed the way in which many indie artists are being ill-treated by major retailers. After some big name stores have come under scrutiny, you would think others would shy away from following in their dirty footsteps... is that ever the case? Unfortunately, not! Since the resurgence of 90s inspired apparel and accessories, pins reemerged as a "top-trend" and many artists are finding unauthorized copies of their pin art in popular stores. Last month, several artists filed a lawsuit against Francesca's, a nationwide chain known for selling accessories, jewelry, and clothing. According to the complaint, Francesca's conducted business with O.K. Originals and Orion - companies known to capitalize on knockoffs and copycat goods - to obtain these pins. The artists originally reached out to Francesca's about the unlawful conduct but the company has chosen to ignore the artists' complaints and continue to sell them. The 11 artists involved in the case are seeking damages that could cost Francesca's up to \$4M. Go get 'em!

Information on the Pandora operation recently came to light. This initiative, led by Spain and Cyprus along with 16 other European nations who teamed up with EUROPOL, INTERPOL, UNESCO and the World Customs Organization, was created to uncover illicit trafficking, theft of cultural goods, criminal groups and areas linked to possible cultural exploitation. Between October and November 2016, Pandora seized a total of 3,561 works of art and cultural goods. The operation has opened 92 new investigations since its inception, resulting in the arrest of 75 people.

Vjerman Tomic, nicknamed "Spider-Man" for his daredevil acrobatic robberies, is facing 20 years in prison for a 2010 heist at the Musée d'Art Moderne, Paris. According to reports, Tomic cut through a padlocked gate and broke a window to enter the museum. He then stole five works by masters of the 20<sup>th</sup> century: Matisse, Leger, Picasso, Braque and Modigliani said to be worth €100M. The story about the actual theft is worth reading ... would probably make for a good movie – oh wait, I think it is probably on par with The Thomas Crown Affair.

It was not until the following morning that the museum realized the theft (there were 3 guards on duty that night). Authorities tracked down Tomic in May 2011 where interestingly enough, he did not deny the accusations and admitted that he originally broke into the museum to steal "Still Life with Candlestick" by Leger, simply because he "liked" it but made off with an additional four incredibly valuable pieces because it was so easy. Unfortunately, none of the works have been found.

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## Really!

By: Amy

The market for decorative arts continues to do well. A Picasso vase broke another record as the collection from Richard and Sheila Attenborough hit the auction block with a 100% sell through rate – really! The collection, built over 50 years, realized £3M (£3.8M/\$4.74M - with the buyer's premium). The big winner of the sale was Picasso's *Grand vase aux femmes nues (1950)* which blazed past the £250-350K estimate as it hammered down at £600K (£729K/ \$909K - with buyer's premium).

The Doccia porcelain factory was founded by Marchese Carlo Ginori in 1735 near Florence, and recently there has been great interest and strong prices in the wares produced at Doccia. A group of three plates that were part of a large consignment from a private collector smashed the £4-6K estimate when the plates sold for £70K (about \$86.6K), despite their really poor condition - they all had large cracks and were extremely worn. There are only three other dishes from this series that are known to exist; two are in the Museo Richard-Ginori della Manifattura di Doccia and the other one is at the Metropolitan Museum in New York. Interestingly, in January 2013 the Doccia firm declared bankruptcy and the courts gave them until May 2013 to find a buyer. After two companies made unsuccessful bids, it was acquired by Gucci (in April 2013) for €13M (\$16.8M). Gucci's plans include making improvements to the factory in Florence, focusing on high-end products, and selling the products under its name in luxury markets.

A Wedgwood 'First Day's Vase' made in 1769, one of only four known Wedgwood vases made by Josiah Wedgwood (1730-95) on the opening day of his factory in Staffordshire, sold at an auction in the UK for an impressive £482K (\$601K) including the premium (est. £120-180K). Following the sale, the new owner applied for an export license and I bet you can guess what happened...DENIED! Well, temporarily...the application was reviewed by the Export of Works of Art and Objects of Cultural Interest (RCEWA) and they have issued a temporary ban in hopes that they can find a UK buyer. In a statement from the RCEWA, their recommendation was based on the "vase's close connection with our history and national life and its outstanding aesthetic importance". They will review the export license application on March 14<sup>th</sup> and possibly defer it again until July if there is a serious contender to buy the vase in the UK. If you are considering the purchase, you will need the £483K purchase price plus £16,500 for the VAT.

And this is my favorite for the month and although it is not in the decorative arts category, it might very well decorate someone's neck...if they dare to wear it. This sale could have been very different for the seller had he stuck to his original plan – taking his items to a boot sale in the UK. (A boot sale is when individuals take their items to be sold at a local fair right out of the boot, or as we call it – trunk, of their car). This seller was on his way to the boot sale, but decided to have a necklace evaluated. The necklace was valued at £60-100 (\$75-126) by an auction room – they thought it was something special, but did not know the origin. Well it was a good thing that the seller decided to let the auction room have it because the evaluation was a little on the low side – the necklace sold for £125K (\$158K)!!! Really! Apparently, there were 3 bidders who thought the necklace was a fertility amulet made in the Cook Islands in the late 1800s. The charms are made from the bones of a sperm whale and resemble testicles...really! That would have made a very interesting Valentine's Day Gift...LOL

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## The Art Market

By: Howard

I am happy to report that it was a fairly quiet month for the art market with most of the serious auction action taking place at the very end of the month in New York City ... as they call it: Masters Week.

The action began with an Old Master Drawing sale at Christies on the 24<sup>th</sup>. Taking the number one spot here was a beautiful drawing by Rubens, *Scipio Africanus welcomed outside the gates of Rome, after Giulio Romano*, that sold for \$1.58M – far surpassing its \$500-\$700K estimate. In second they had Goya's *A hunter with his dog in a landscape* which made \$1.1M – also beating out its estimate of \$600-\$800K; and in third we saw a 19<sup>th</sup> century work by Burne-Jones, *The*

*Nativity*, crush its \$18-\$25K estimate when it sold for \$344K. In the end, of the 127 lots offered, 92 found homes (72.4%) and the total take was \$6.17M ... not bad considering last year they offered 131 lots and brought in just \$3.2M.

Christie's also had an Old Master print sale that brought in another \$4.6M (top lot was *The Submersion of Pharaoh's Army in the Red Sea*, After Titian, which made \$752K – est. \$200-\$300K) ... they did not offer any Old Master paintings. So, for that saleroom, their total take for the week was about \$10.7M.

On the 25<sup>th</sup> (during the day) Sotheby's offered their Old Master (so they said) drawings and taking the top two positions here was Turner's *Switzerland: Possibly Lake Thun* (10 x 14 ¼ inches) which made \$757K (est. \$150-\$250K) and his *Switzerland: Lake Thun, Looking Towards the Nissen and Stockhorn* at \$613K (est. \$140-\$180K). In third was Burne-Jones's *The Madness of Sir Tristram* at \$409K (est. \$350-\$450K).

By the end of the sale, of the 158 works offered, 98 (62%) found buyers and the total take was \$4.53M (low end of their estimate range was \$3.05M).

Before I continue, these are supposed to be Old Master sales ... right? If so, why is Burne-Jones in the Old Master sale? Come on. He is a British Victorian artist, born in 1833, who had a strong relationship to the Pre-Raphaelites ... he was not an Old Master!!! In fact, neither are von Menzel, Boldini, Harpignies, Travies, Coessin, Bonheur, Palmer, Ruskin, Callow or Lear ... all of whom had works in these sales. I understand you are having a tough time finding material for your Old Master sale, but you need to stop 'stealing' our 19<sup>th</sup> century artists to fill them up. So, unless we are expanding the scope of the Old Master market, next time you might consider a more accurate title like Old Master and **19<sup>th</sup> Century Drawings**. Now that I got that off my chest, let's move on.

That evening, Sotheby's presented their Master Paintings & Sculpture Sale and leading that pack was a newly discovered Rubens painting *Study of a Horse with a Rider* which sold for \$5.08M -- blowing away its \$1-\$1.5M estimate. It was classified as a new discovery because it was only after the removal of overpaint from later additions that the true quality of the painting was revealed and is now believed to be by the Baroque master (until now it had been described as by a follower of Van Dyck). In second was Adam de Coster's *A Young Woman Holding a Distaff Before a Lit Candle* which brought \$4.9M (est. \$1.5-\$2M) and in third was Willem Drost's *Flora* selling for \$4.63M (decimating its \$400-\$600K estimate).

By the end of the evening, of the 55 works offered, 34 (61.8% - not very strong) found new homes and the total take was \$27.2M ... low end of the estimate range was \$19.6M, so they easily beat that --- which is amazing when you think about how many works did not sell. Taking a deeper look, we see a continuation of the same trend ... the market is fighting for the best. When combined, the top 3 lots accounted for \$14.55M (or 53.4% of the sale's total) and the top 10 brought \$20.4M (74.9% of the sale's total).

By the end of the week, about \$52M worth of Old Master and 19<sup>th</sup> CENTURY works changed hands. Last year's group of sales brought in almost \$98M, but there was a Gentileschi that brought \$30.5M ... this year there were no real Blockbuster works offered. As I always say: what a difference a painting or two can make!

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## Can They Clean Up the Art and Antiquities Markets?

By: Lance

For a long time now – before I even wrote about this topic - our newsletter has spoken about the importance of finding knowledgeable and trustworthy art dealers if you are going to consider buying. In such a vast, lucrative market with nearly no regulation, there are inevitably going to be some less than savory individuals that do not have the buyers best interest in mind... the unfortunate reality of this is that sometimes the problems go deeper than that. There can be horrible, unseen consequences of the art and antiquities trade – this is highlighted by a recent investigation in Geneva that led to the recovery of looted antiques from Palmyra, Syria and ancient sites in Libya and Yemen, at the Geneva Free Port in November. The investigation raises major concerns about terrorist financing and money laundering within the art and antiques market - 3 of the seized pieces made their way from a UNESCO world heritage in Syria, through Qatar or the United Arab Emirates and into Switzerland sometime between 2009 and 2010... that same site was systematically destroyed by ISIS in the following years. This, coming on the heels of the discovery of a Modigliani painting allegedly stolen by the Nazis at the very same port, has led to a growing concern about the ethical responsibilities of dealers.

Now, as arrangements are made for the restitution of these objects, dealers have met in Geneva (at least some of the more reputable ones) with lawyers and consultants to develop the Responsible Art Market Initiative – a set of guidelines to counter illicit activity, which includes 10 principles for vetting the sellers and buyers of art. While Switzerland accounted for just 2% of the global art market in 2015, their favorable tax system has made Geneva's free port the largest tax-free

storage site for art in the world; so it makes a lot of sense that there is some unease with regards to what exactly is being stored there. With that though, it should be noted that the global nature of the art world makes this everyone's problem and the best way to safeguard against getting involved in a messy situation is to stay educated.

The Art Market Guidelines are just a first step by the private sector in combatting the issues facing the industry. Many dealers are growing tired of fighting the negative reputation of the market while seeking to differentiate themselves from scandal-ridden dealers. While some of the guidelines and information contained may seem like common sense, it is a great foundation for outlining what the responsibilities are for the parties involved and, at the same time, highlighting where to look for red flags with relation to the client, the artwork's provenance, and the background of the transaction. Potential red flags relating to the artwork should not only be vetted by the dealer but the client/buyer as well, in an effort to ensure the dealer is acting responsibly. It further covers business practices like record keeping, training staff and what steps to take if criminal activity is suspected, while also offering country guides for knowing and complying with the laws where you are doing business (although they currently only offer guides for Switzerland and Luxembourg).

I sincerely believe this is just the beginning of a much-needed overhaul to the workings of the art and antique world – something that is essential to bringing a sense of security to one of the largest global markets. It is about time the market at large, took it upon itself to clean its act up.

The Rehs Family

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**Gallery Updates:** During the month of February you can see a selection of our works in West Palm Beach and Naples, Florida.

**Web Site Updates:** As mentioned earlier, we now offer a purchase feature for certain contemporary works of art. We also added and/or sold paintings by: Dupré, Cortes, Blanchard Zinkeisen, Jahn, Bauer, Mastromatteo, Salaz, South, Palumbo, Tirrell, Casey and Dunkel ... below is a small selection of the recent additions:

## TRADITIONAL



Edouard Cortes  
*Marche aux fleurs, Madeleine*



Antoine Blanchard  
*Café de la Paix, Place de l'Opera*



Antoine Blanchard  
*Châtelet, Quai de Gesvres*



Antoine Blanchard  
*Rue Royale, Madeleine*

## CONTEMPORARY



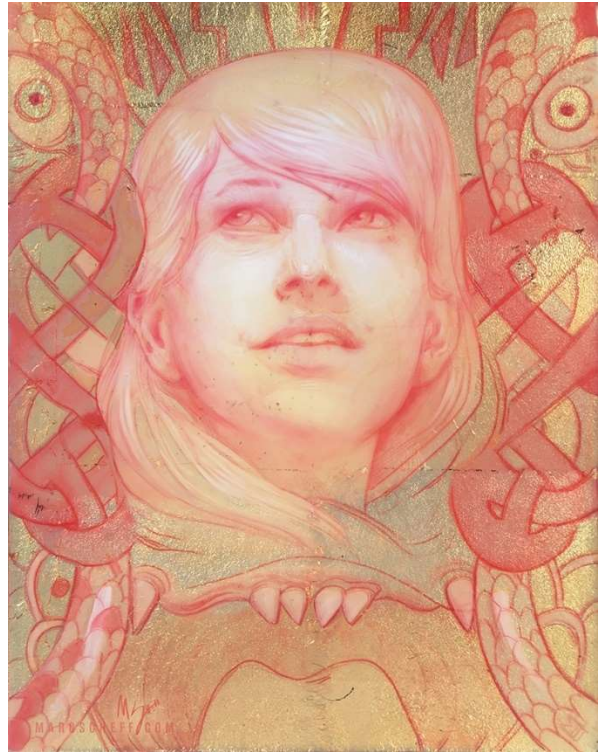
Tony South  
*Scholars*



Julie Bell  
*Bridge*



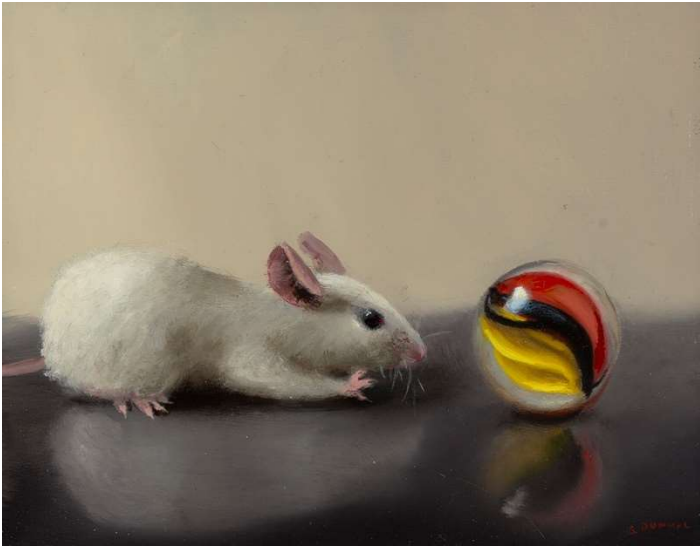
Mark Scheff  
*Sky*



Mark Scheff  
*Clay*



Tony South  
*Aperture*



Stuart Dunkel  
*Magic*



Stuart Dunkel  
*Thankful*



Stuart Dunkel  
*Taffy Heaven*

**Next Month:** We should have more public sales to cover.