

COMMENTS ON THE ART MARKET

VOLUME 130

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Dallas

I want you all to know that the gallery will be participating in the Dallas International Art, Antique and Jewelry Show which runs from November 2 – 6, 2011 and will take place at the Irving Convention Center at Las Colinas.

As always, we will send out an email with a link to a complimentary ticket later this month.

Lighten Up

No, this is not an article about how to light your paintings ... this is a call for some people to lighten up. For more than 12 years I have enjoyed bringing you my monthly Comments on the Art Market; I do believe that it is important for people to know as much as possible while they travel through the art market jungle. A few years ago I started adding my personal/humorous rants on the stock market and occasionally someone likes to complain about those small articles. After the August newsletter I received the following from James R.

I occasionally enjoy reading your comments on the art market. But I confess that every time I read your stock market commentary, I cringe. In fact, fact, I sometimes fail to get to the art commentary because I find the stock commentary impugns your credibility on all markets [not sure how it does that since I tell everyone I am no stock market guru, just a passenger along for the ride ... but everyone is entitled to their opinion].

*You seem to recognize that you are playing losing game in the stock market. You are correct [sheesh, I should probably pack it in already]. So please, stop commenting on it. If you want guidance on how to "invest" in the stock market rather than gamble, I recommend that you read *Unconventional Success: A Fundamental Approach to Personal Investment* by David Swenson [I have not read this book and am not recommending it].*

I signed up for your insight into the art market, not the stock market or the futures market or the antique car market, or any other market. Stick with what you know. That's more than enough to keep you busy [WOW ... someone got off the wrong side of the bed that morning].

Here was my reply (with some slight edits): *Sorry you feel that way ... but to be honest, every other comment I receive about my stock rants are positive ones and most people get a laugh from them -- even from some of the Wall Street guys who read it. It is all done in fun! The beauty of the written word is that you can easily skip the parts you do not want to read.*

As for 'investing' in the market ... that idea has come and gone -- in my opinion. I have been 'invested' in the stock market since birth (received my firsts stocks when I was born) and I can tell you that the last 15 plus years are totally different from my early days when you invested in a company because it was well run and would continue to grow -- bringing you a nice return. Today it is mostly about Hedge Funds, ETFs and buying stocks that hopefully will get a good bounce and then you sell for a profit (if you time it right). And if you time it wrong ... well, we have all been there!!!

In the end, this is my little soapbox, so I will continue covering the items and topics (antiques, cars, watches, silver, furniture and ART) I find of interest. James, just keep the following in mind, I title each section of my newsletter very clearly ... so you are more than welcome to skip those with the word

STOCK in them; I promise I will not be offended. Keep smiling, life is short and you should enjoy it as much as possible. Oh, one more thing ... you may want to skip the next article.

STOCKS

Well, it was another wild ride this past month and all of my portfolios are still in the red ... I do have hopes that by the end of the year I might be able to break even for 2011 – yea, right! I should add that I paid very little attention to the daily gyrations since I did not add any new holdings to my portfolios ... but I checked in a couple of times each week just to see the volatility – and what a ride we had!

Among my favorite companies, as of the 28th: GE was at \$15.45; MCD was just over \$88; Citi is close to \$26 (in the red); Oracle was \$29.45; VZ is trying to get to \$37; VOD closing in on \$26; RIM is under \$22 (very sad); PDC is under \$8 (way down); CTL is close to \$34 and my biggest holding, SNRS, is still at .0001 – so there is still hope for an early retirement ☺!

Tales from the Dark Side

Well, they never seem to let up. There are a lot of bad people in the art world and here are some new and a few follow-ups:

Matthew Taylor – this former art dealer was recently arrested in Florida and charged with selling a slew of forged paintings by Monet, Van Gogh, Rothko and Pollock to a California collector. In all, the unidentified collector bought over 100 pieces from Taylor totaling about \$2 million. Taylor took paintings by obscure artists, replaced their signatures with those of the more famous artists, added museum labels and then sold them. As of now, Taylor faces up to 100 years in prison ... guess that will keep him from doing it again! Now here is my question ... does anyone really believe that they can buy over 100 original works by artists like Monet, Van Gogh, Pollock, Rothko, etc. for a total price of about \$2M? Come on! Any reasonable work by one of those artists is going to cost far more than \$2M. Once again, greed rears its ugly head.

Susan Burns – you may remember that I wrote about this crazy lady in my May newsletter when she was arrested for attacking a Paul Gauguin in the National Gallery. Well, this August Ms. Burns was at it again; this time she tried to rip a Matisse off the wall at --- where else --- the National Gallery. Come on people!! Talk about security issues. Now here is the funny part: one of the conditions for her release from the April attack was that she “stay away from all museums and art galleries in Washington D.C. including the National Gallery of Art” ... are you kidding me. Did they really think that if she signed a piece of paper that would prevent her from doing it again? HA HA HA ... guess not! Maybe if they lock her up and throw away the key, she might not be able to do it again? But we all know that will not happen, so I am sure we will hear more from Ms. Burns in the future.

Ralph Esmerian – I covered this crime a couple of times in the past and now it appears that Mr. Esmerian was sentenced for his crimes this past July. He received 6 years in prison for wire fraud, bankruptcy fraud and concealment of assets. In addition, he received three years of supervised release, must forfeit \$20M and perform 1800 hours of community service – at 35 hours a week that is about 1 year! It will be interesting to see where he performs this service. Humm ... maybe he can be an unpaid security guard at the National Gallery!!!

Charles Easley – the man from last month's The Purloined Cortès. Mr. Easley is the criminal who sold the stolen Cortès painting we recovered in Baltimore to the dealer (Ron VanderMolen) in California. Described as a hard core felon (with a 1 inch thick rap sheet) by local police, Easley entered VanderMolen's place of business and stated that he owned a limo service (bogus) and had inherited the painting from his grandmother (there were other items as well: art in Plexiglas box frames, Tiffany lamp, etc.). Easley had used his real name and given VanderMolen his card. After Easley was apprehended, VanderMolen went over to the police department and identified him from a bunch of unmarked mug shots.

Now here is the interesting part – sent to me from the individual whose home the items were taken from. She was unsure why he took the Cortès and Tiffany lamp since there were many more obvious objects around ... laptops, silver tea set and cash (in plain sight). And here is the scary part ... it appears that her daughter was home during the break in and happened to go downstairs at about 1:30 am which probably scared him off! She is now having a sophisticated security system installed.

As for the stolen items, the Cortès was returned a day after we found it and the Tiffany lamp, which VanderMolen sold to a regular client, was also returned ... according to the owner: *it was much cleaner than I have ever seen it.*

Currently, Charles Easley is still in jail. His parole hearing is on Oct. 4th; it appears he broke parole by being in possession of stolen property, so it will be interesting to learn what happens to him.

COMMENT - Individuals who were/are a victim of an art or antique theft need to understand that just reporting the crime to the police and/or insurance company will not get the word out to the general art and antique world – which is where the piece will probably end up at some point. If you are the victim of a theft, I would recommend that you do a quick search on the Internet ... using the name of the artist ... and determine who the top dealers for that artist are. Then put a list of email addresses together for those dealers and send them all notification of the crime and you must include photos of the pieces. Not only can this help speed up the recovery process, but it may even save one of those dealers a great deal of money.

The American Sales

The action is starting up and late this past month both of the main auction rooms in New York put their toes in the water with mid-level American painting sales. I viewed both sales and while a majority of the items offered fell into the 'stuff' category there were some interesting pieces.

The first sale took place on the 27th at Christie's and taking top honors here was a small Milton Avery titled *Porch View* that made \$158,500 (est. \$60-\$80K). Coming in second were Norman Rockwell's *Girl in Spanish Costume* (est. \$80-\$120K) and Thomas Eakins rather unattractive portrait of *Mrs. Samuel Hall Williams* (est. \$8-\$12K – yes \$8-\$12K) at \$134,500 and rounding out the top three was Guy Wiggins' New York (est. \$60-\$80K and not a snow scene) at \$128,500 – one of the nicer paintings in the sale, at least in my opinion.

There were also a few other works which I liked and most performed pretty well; these included an early J.G. Brown (est. \$40-\$60K) that brought \$104,500; a small A.F. Tait of chicks (est. \$12-\$18K) that made \$10,625; a large E.A. Payne titled *Breton Boats* (\$50-\$70K) that brought \$92,500; Jack Gray's action packed *On Deck of Medway in High Seas* (est. \$30-\$50K) which commanded \$80,500 and a very nice, but small, Jacobsen from 1876 (est. \$7-\$10K) that settled in at \$18,750.

When the sale was done, of the 208 items offered, 133 sold and 75 were returned to their owners (64% sell-through rate) for a total take of \$3.5M – the low end of the presale estimate was \$3.1M so they beat it with the buyer's commissions added in.

On the 28th, Sotheby's presented their offerings in a two part sale. The first session was comprised of Folk Art, Silver and Furniture ... not one I will cover here. The second session featured their mid-level American paintings and had a similar make-up to their competition – some good and then a lot of stuff.

Taking top honors here was an Elie Nadelman sculpture titled *Two Female Nudes* (est. \$30-\$50K) that brought \$176,500; in second was a Gaston Lachaise sculpture titled *Breasts* at \$104,500 (est. \$12-\$18K) and in third was Birger Sandzén's *Autumn Symphony* (est. \$40-\$60K) that made \$74,500.

Among the other interesting works (at least those I liked) were 2 paintings by Dunbar Beck that each made \$40,625 (est. \$30-\$40K); a small Francis C. Jones titled *Classical Maiden* (est. \$15-\$25K) that brought \$28,125; and early Wiggins painting (est. \$40-\$60K – snow, but no flags) that sold for \$62,500 and a Warner Friedman, from his Open Ended Cube series (est. \$5-\$7K), that fetched \$9,375.

When all was said and done, of the 223 works offered, 126 sold and 97 failed creating a 56.5% sell-through rate and a total take of about \$1.85M – the low end of the presale estimate was \$2.25M; so even with the buyer's premium added in, they fell far short of their goal.

What these sales continue to show is that the really good paintings, those that are classic examples, in good condition and from the right periods, are still highly sought after and will perform well.

Howard L. Rehs

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Gallery Updates: GOOD NEWS FOR YOU – we are back on our regular gallery hours – Monday – Friday 10am – 5:30pm and all other times by appointment.

Web Site Updates: This month I have decided to feature (in our PDF version) a few of the currently available works from our web site and look for new works by Dommelshuizen, Cortès, Blanchard, Miró, Giannini and Alechinsky to be added to our web site.



Stanislas Lépine
La Seine a Ivry
15 x 22 inches



Thomas Luny
The Battle of Doggerbank
23 ¾ x 34 inches



Edouard L. Cortès
Porte St. Denis, Winter
19 ½ x 25 ¾ inches

Next Month: We should be inundated with sale results!