

COMMENTS ON THE ART MARKET

VOLUME 153

Rehs Galleries, Inc.
Rehs Contemporary Galleries, Inc.
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Upcoming Shows

While we have nothing planned for the month of September, the month of October will be a busy one for us. From October 3 – 6, Rehs Contemporary Galleries will be participating in the Affordable Art Fair in Chelsea. As you can tell from its name, this fair is all about 'affordable' art. The main criteria for the works a gallery has on display are that no item may be priced in excess of \$10,000 and half of the works being offered must be priced under \$5,000. This exhibition will be an excellent venue for many of our young stars and we plan on displaying works by Bauer, Baez, Koeppel, Hollingsworth, Jahn, Palumbo, Pousette-Dart, etc.

The following weekend (October 10 – 13) the gallery will be exhibiting at Avenue's Antiques Art & Design at the Armory which takes place at the 67th Street Armory in NYC. Here we will have a nice cross-section of works from the 19th, 20th and 21st centuries – included will be paintings by Corot, Boudin, Dupre, Knight, Vlaminck, Bolotowsky, Combes, Bell, Jahn, etc.

We will be posting links to complimentary tickets for these shows very soon.

David Palumbo – Rehs Contemporary Galleries

By: Alyssa

As our contemporary roster continues to grow we are making a strong effort to bring new genres and styles to the gallery. This month we welcome our newest artist to the Rehs Contemporary family, David Palumbo. Following in his mother's footsteps (Julie Bell - another artist we represent) David began his art career as a fantasy and science fiction artist. While both artists have created works for album and comic book covers, film posters and more, Julie recently ventured into creating wildlife works and her son, David, has been working on a series of nudes.

David believes, "nudity is absent of sexuality by default. We provide that in our minds after the fact and according to the context of the situation. The degrees by which we, as individuals, will judge such a thing seem to be infinitely minute and varied, as are the reactions which will be provoked. My intention in the works contained in this series is to examine and walk that line. I enjoy painting portraits and nudes which not only celebrated the elegance of human form, but also touch on the positive and beautiful aspects of sexuality and confidence." His series of small nudes (many only 5 x 7 inches) were a big hit at our last show in Baltimore and we are excited to be working with David.

Stocks – Might Need a Little Visine

As they say: The Lord Giveth and the Lord Taketh Away. And I thought we might see more upward momentum – LOL!!! When I left off at the end of July we were in the 15,500 range and now we were lucky to close just over 14,800 – a 700 point difference. I will add that August was another month of not watching or listening to the stock reports (it feels real good) and the only call I received from my broker was an apology for selling off my INCYTE at \$16 (which hit \$35 this month) and using the money to buy Apple at \$530 (which we sold at \$442 – a little loss).

I refreshed my portfolio at the end of business on August 30, so these are the real numbers --- and I am seeing a little red! Among my favorites are Altria (\$33.88 Down), JP Morgan (\$50.53 Down), Emerson (\$60.37 Up), Chevron (\$120.43 Up), Exxon (\$87.16 Down), GE (\$23.14 Down – still red), Berkshire B

(\$111.22 Down), AT&T (\$33.83 Down), VOD (\$32.35 Up), Verizon (\$47.38 Down), Wal-Mart (\$72.98 Down) and Coke (\$38.18 Down), DuPont (\$56.62 Up) and the newest one - Lowe's (\$44.46 Up, but still in the red).

Tales from the Dark Side (They Never Seem to End)

By: Lance

James Meyer – This slick 51 year old has worked as an assistant to Jasper Johns since 1985. One of Meyer's responsibilities was overseeing the artist's unfinished artwork; however, it now appears Mr. Meyer was abusing his access. Beginning in September of 2006, Mr. Meyer began selling the unfinished pieces to a New York based gallery (unnamed in the indictment). Phony supporting documents were provided, including notarized certifications, to convince the gallery that the works were authentic and Meyer had the rights to sell them. In total, the 22 works were misappropriated for a total of \$6.5 million ...records show Meyer has been paid \$3.4 million via checks and wire transfers. James Meyer was arrested in Connecticut on August 14th and released on \$250,000 bond.

Pie-Shen Qian – While he has not been charged with any wrongdoing, this low-profile 73-year old artist is now tied to an \$80 million New York art fraud case. Mr. Qian started a life in New York more than four decades ago and desperately tried to make a living as an artist. He was discovered in the early 90's by Glafira Rosales's boyfriend while he was selling his own art on the streets of downtown Manhattan. Qian was recruited to produce paintings which carried the signatures of celebrated artists such as Pollock, Newman, Motherwell, and Diebenkorn. Over a 15 year period, Qian completed at least 63 works which were said to be "newly discovered" pieces and in turn, Ms. Rosales sold or consigned them to dealers. While Qian only earned a few thousand dollars for the works he created, Ms. Rosales was able to sell the pieces for millions, even without any real documentation for the works. While it is not illegal to produce and sell replicas of works bearing the name of a famous artist, it is illegal to market those works as authentic. It looks like Qian may steer clear of a jail cell but nevertheless he will sit on the dark side of the art world.

Art Theft – Orangeburg, SC – While on his way to New Hampshire Antiques Week, dealer Michael Whittemore lost a large chunk of his inventory. His van and trailer, containing roughly 100 items, was stolen from the parking lot of the Country Inn Suites in Orangeburg, South Carolina. The stolen antiques carry an estimated value of \$300,000 to \$400,000.

San Miguel de Tomave, Bolivia – You will probably say they should have learned their lesson by now; but, the highlands church in a small Bolivian town was hit for the third time since 2007. Thieves tunneled under the walls and floor of the church to gain access and were able to make off with five 18th-century paintings. In fact, cultural treasures are being stolen at an alarming rate in small towns throughout Bolivia and Peru. There have been at least 10 occasions where a church has been looted this year alone and more shockingly, there have been 38 robberies since 2009 (447 objects). Authorities believe the criminal activity is on behalf of foreign collectors who are essentially "placing orders" for these rare and unavailable pieces.

Slightly lighter but still dark – Greed – In 2008, Robert Rauschenberg passed away and left his estate in the hands of three trustees who were his "dearest friends." The trustees were appointed to administer the \$600 million he had amassed and protect the charitable foundation he built. Now, the foundation is spending time and money battling those three trustees over a claim that they are entitled to \$60 million in fees! The trustees admit they kept no record of the work they performed nor have they tried to account for the hours they put in. One claims "the figure seemed a little high at first but given the hell I've been through, \$60 million seems reasonable." The rules for paying executors and trustees vary from state to state. In New York, executors typically receive a percentage of certain assets in an estate; but in Florida (where this suit was filed), trustees are entitled to a "reasonable fee." Now the question is: what is reasonable? The foundation hired, Laird Lile, an expert who also happens to be a governor of the Florida Bar. According to an affidavit, a reasonable fee would be somewhere around \$250 an hour. Based on a rough calculation, the three trustees are seeking approximately \$40,000 an hour and to date they have already paid themselves \$5.7 million, a sum which was not approved by a court and is probably still quite excessive for the work that was done. Ah, the lure of easy money!

Really!?

By: Amy

First, we need to make a couple of corrections to one of last month's entries. Eric F. sent on the following:

Howard,

You disappoint me :-)

*Firstly, it is not Stirling Moss. It is **Sir** Stirling Moss. Greatest racing driver never to have won the world F1 title.*

Secondly, a Ferrari 250GTO is not merely a car. It is (in many peoples' opinion) a work of art. An automotive sculpture. For \$35M the purchaser (Craig McCaw) obtained multiple works by multiple "artists". Chief engineer Giotto Bizzarrini installed the 3 litre version of the Gioacchino Colombo (a true artist?) short-block designed V12 engine (a technical "work of art"?) from the 250 Testa Rossa (another "work of art"?) into the chassis from the 250 GT SWB and worked with designer Sergio Scaglietti to develop the body.

Of the 36 existing 250 GTOs, 30 have the classic shape of the Scaglietti design and six have the Sergio Pininfarina (generally accepted to be a design genius) flying-buttress roof style known informally as the series 2 GTO.

I was fortunate enough to view Ralph Lauren's exhibition "The Art of the Automobile". Truly wonderful.

Now, the Ferrari 250GTO was wonderful, but nothing compared to many of Ettore Bugatti's masterpieces.

How much did you say a Damien Hirst shark was valued at?

To answer Eric's last question ... far too much!! And it is important to remember that Howard does not write this article ... it comes from a woman's perspective and you know what we think of cars! LOL!!!!

Now on to this month's selection:

Ok... so I am going to try this one more time for all you car enthusiasts...and I now fully understand that some cars are *a work of art* ☺! Really! A new world auction record was set by a stunning 1967 Ferrari 275 GTB/4*S NART Spyder, one of the rarest and most beautiful Ferraris ever produced. The car sold for an impressive \$27.5m, smashing the record for the most valuable **road** car ever sold at auction, as well as becoming the highest-selling Ferrari at auction.

Baseball has always been one of my favorite pastimes and several months ago I wrote about a T206 Honus Wagner baseball card that made \$402,900; in addition to that nice sale some other interesting baseball memorabilia has made incredible prices. A 1914 Babe Ruth rookie card realized \$450,300 and a baseball signed by both Babe Ruth and Lou Gehrig sold for \$343,650. A personal favorite was a 1952 Topps Mickey Mantle card that went for \$272,550... too bad we lost part of our baseball card collection when Super storm Sandy *graced* us with her presence☺!

This sale result is really monstrous An original 1931 poster for *Frankenstein* starring Boris Karloff, that was probably made to fit into the display case outside the theater, recently sold for \$220,000 (plus the buyer's premium) against a \$100,000 estimate. The owner who consigned the poster said: "I got it from an antiques store in town in either 1968 or 1969, and I probably only paid \$2 to \$5 for it." Not a bad return ... really!

The next outstanding result was for a magnificent rock crystal vessel made in Florence (1530-50) with the portraits of Pope Clement VII and Alessandro de Medici that brought \$368,850 (est. \$ 220K – 450K) and while it did not blow away the estimate, it still commanded a nice price. The presence of portraits of Pope Clement VII and Alessandro de' Medici, most likely indicate that it was an important commission, celebrating the close relationship between two powerful members of the Medici dynasty.

The item that did blow away the estimate was a silver-gilt cup and cover, circa 1574. It is quite an amazing treasure. The cup is engraved, embossed, chased, cast and fitted with monsters, putti, maidens and female masks, on heraldic stem of a bird of prey. Estimated at £60-90,000 (\$90,948 - 136,422) it flew off to a new home with a price of £518,500 (\$785,943)! Really!

The Art Market

A New Season is Approaching

Summer has come to an end and the month of August gave us all a little break from all the auction action ... well, there were sales during the month, and strong prices for the right pieces; but none of the big salerooms were 'in business' so we took a rest from the coverage. Our gallery kept itself busy by participating in both the Newport and Baltimore shows ... the latter of which was very well attended and it is always nice to see many of our friends, clients and fans – thanks to all who stopped by.

Since the new season is about to begin and I know we are going to be inundated with the BIG sales, I felt it might be appropriate to give you some of my thoughts on the art market. To begin with, the first part of 2013 saw a continued trend of buyers looking for the better works of art. Paintings/sculpture, etc. that ticked all the boxes (quality, condition, subject matter, period, etc.) continue to perform very well and record prices were reached for many artists – just think back to the \$47.9M Raphael, \$12.9M Fra Bartolommeo, \$45M Picasso, \$42M Modigliani, \$21M Bacon, \$48.8M Basquiat, \$41.6M Cezanne, \$18M Soutine, \$43.8M Newman, \$37.1M Richter, \$58M Pollock, \$56M Lichtenstein, \$21.1M Kandinsky, \$30.8M Monet and even our good old 19th century works got into the action with a \$3.3M Deutsch and a record setting \$22.1M for a Burne-Jones watercolor. Even I am amazed at some of those numbers ... and that is only a very small sample of the multi-million dollar works that changed hands.

Unsold rates for the wrong items (those that missed checking some, or all, of the important boxes) were pretty high ... and in my opinion that is a very good thing. In addition, when sales included a large percentage of the 'wrong' works, the unsold rates were rather high, 50% or more --- not very good for the saleroom; but hey, they got what they deserved. We are in a very selective market ... at least for those people who know what they are doing (I still see bad works finding buyers). We still need the market to present stronger and leaner sales ... we will all benefit from this.

It is also very important to keep the following in mind: while there is usually a very good reason why works fail to sell at public auction, there are also times when good pieces do not sell. I know what your next question is: if the market is being selective, then why aren't all the good works selling? Good question ... and here are the answers. There are many instances when a really good work carries an aggressive (high) estimate (which normally indicates that there is also a very high reserve – the price under which the item will not sell). If the market feels it is just too much, then there will, or should, be no takers. In addition, there are many times (and I have been complaining about this for years) when far too many works by a single artist are offered at the same time – in our field I have seen this happen with Munnings, Dawson, Seago, Corot, Boudin, Cortes, etc. Many artists were quite prolific and sellers (this includes the owners and auction rooms) need to remember that there are only a certain number of buyers for any artist's work and not all of those potential buyers are constantly in the market. If there are a lot of offerings at the same time, the market will not be able to absorb them all and some end up going back to their original owners --- remember that in most instances, less is more. And then there are those pesky outside influence (the ones we really have no control over) --- a bad week for the stock market or bad weather can have a huge impact. Just think back to last year when Super Storm Sandy hit New York. Many of the sales that took place during that, and the following week, really suffered. If you were able to get to the auction room, you had a good chance of picking up some real bargains.

As the market continues to generate steam I will continue to stress the need for selectivity. You need to be confident that the works you acquire are excellent examples and try hard not to get caught up in the hype; and the art market is full of hype, along with the need for certain people to "keep up with the Joneses".

Here's to what should be a very interesting Fall/Winter season.

The Rehs Family

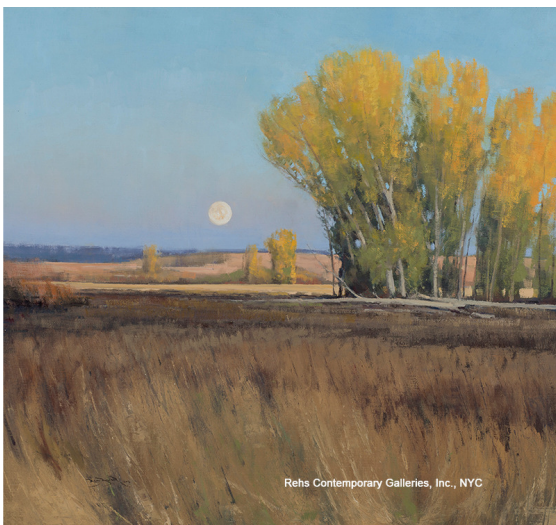
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Gallery Updates: For the month of September we are open Monday – Thursday from 10 am – 5:30 pm.

Web Site Updates: We have added a number of new pieces to the site, a few of which are shown below:



Louis Aston Knight
Beaumont-le-Roger
32 1/4 x 26 inches



Ben Bauer
Glacial Lake Moon Rise
30 x 32 inches



Timothy Jahn
Milk & Cookies
8 x 10 inches



Bart Walter
Mama Na Watoto
12 ¼ x 14 ½ x 9 ½ inches



Julie Bell
Philadelphia Lion
16 ½ x 16 ¾ inches



David Palumbo
Autumn Morning Through an Open Window
17 ¾ x 23 ¾ inches

Next Month: no ideas yet.