

# COMMENTS ON THE ART MARKET

## VOLUME 185

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### Tales from the Dark Side

By: Alyssa

On a cold winter's night, back in 2005, a group of thieves hid inside the Westfries Museum in Hoorn, north of Amsterdam, during closing hours. After disabling the alarms, they made off with 24 of the museums 16<sup>th</sup> and 17<sup>th</sup> century Dutch works, said to be valued at over \$11 million at the time. Finally, over a decade later, four of the works have been recovered. According to reports, the paintings were found in the possession of a criminal group in Ukraine who were allegedly holding the complete collection for a ransom of \$50 million.

On April 7<sup>th</sup>, seven of the ten iconic Andy Warhol Campbell's Soup screen prints at the Springfield Museum were stolen during early morning hours. The museum has owned the set (numbered 31) valued at about \$500,000 since 1985. There is still little known about the theft, however the FBI has announced a \$25,000 reward for any information leading to the recovery of the works. Not sure what the thieves plan on doing with the 'numbered' works.

Perry Rubenstein, a Los Angeles art dealer, pleaded not guilty to charges on three counts of grand theft by embezzlement. The legal dispute stems from two separate cases involving prominent art collectors, Eli Broad and Michael Ovitz. The first suit was initiated by Massachusetts art collector, Michael Salke, for a work he consigned to Rubenstein for \$750,000 -- Takashi Murakami's "The World of Sphere" scroll. Salke was told that a buyer was willing to pay \$630,000, however by the end of the deal, installments for the work totaled only \$575,000 and Rubenstein now asked for an additional \$20,000 in commission fees. When details of the deal came to light it was revealed that the Broad Foundation purchased the scroll for \$825,000 ... well above the original consigned price. The second suit has been brought by Michael Ovitz after he consigned two works by Richard Price with a combined value of over \$1 million. One of the works allegedly sold to a buyer in Mexico for \$500,000 which Ovitz never received payment for. The other, set with a minimum sale price of \$575,000, allegedly sold without Ovitz's consent for \$475,000 and again he has not been paid.

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### Stocks

By: Howard

Early last month I received a rather angry email stating that nobody wants to hear thoughts on the stock market from an art dealer and I should stick to talking about the art market. Initially it took me by surprise; especially since I have always said: if you have no interest in my little comedic take on the market just skip over it ... I am sure most people do not read every story in a magazine or newspaper. Then I was informed by other people in the gallery that the individual was someone who wanted us to sell their painting and we had no interest in it ... guess it was their way to vent. Anyway, for those who are interested, read on and smile -- it is only money!!

Guess I have finally broken the addiction to the stock market news channels -- I did not even think about looking at them this month. I am clean/ sober and hope to keep it that way!! On Saturday I decided to see how the month had fared -- gold hit \$1,295 (nice increase from its \$1,234 close last month); Oil closed at \$46 (nice increase from \$38.26) -- holders of oil stocks (me included) are happy; while the Euro (\$1.145) and British Pound (\$1.46) were up a little.

For the month of March, the stock market did not seem to make any great improvement from the closing number -- 17,774 vs. 17,685 ... but even a little gain is better than a loss. I then checked out some on my individual stocks and discovered that there was very little change in the overall value of my portfolios with some stocks up and others down: JP Morgan (\$63.20 -- up 5.84%), Exxon (\$88.40 -- up 4.59%), GE (\$30.75 -- down 3.39%), AT&T (\$38.82 -- down 1.40%), Verizon (\$50.94 -- down 5.74%), Wal-Mart (\$66.87 -- down 2.81%), Coke (\$44.80 -- down 3.82%), DuPont (\$65.91 -- up 2.71%), Merck (\$54.84 -- up 3.04%), Disney (\$103.26 -- up 4.40%), Intel (\$30.28 -- down 7.43%) and Apple (\$93.74 -- down 14.44% - Ouch) ... sadly I sold my holdings of ConocoPhillips (COP) when it hit \$35.30 at the advice of my broker (50%

loss) and bought Apple (because it had a better chance of increasing). Well, COP closed at \$47.79 – up 19.24% for the month. Guess I will have to wait another few months to see if it was a good move or if I should fire my broker!!! ☺

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### **Really!**

By: Amy

*“People ask me what I do in winter when there's no baseball.  
I'll tell you what I do. I stare out the window and wait for spring.”  
Rogers Hornsby*

Well, spring has finally sprung, so I thought it would be somewhat apropos to find some baseball memorabilia that recently made it into the major leagues. Let's start with the powerful and highly collected baseball card – everyone has owned a few at some time – we actually have a few unopened cases at home, they may hold within them our retirement fund...really! Leading off with a solid hit was a high grade example of a 1955 Topps Roberto Clement rookie baseball card – it stunned the card collecting community when an anonymous bidder hit the sweet spot and paid \$478,000 for the card. Clemente has grown more beloved since his untimely death in 1972 in a plane crash while delivering relief supplies to Nicaraguan earthquake victims...he is a *National* legend - really!

Batting second and a fan favorite - a rare 1952 Topps Mickey Mantle rookie card, in near mint condition, soared to \$501,900 – this is the second time one of these cards has sold for over a half million dollars – the first time was in December 2015 when a 1952 Mickey Mantle rookie card sold online for \$525,800!! This card has become one of the most sought after baseball cards, in the past year, other examples have sold for \$386,000, \$406,000, and \$486,000...seems like Mickey is close to batting a thousand and in this case, hundreds of thousands – really!!

Now here is a very interesting story about the 1952 Topps baseball card series....supposedly, the 1952 Topps set was the largest in its day (407 cards) and the Topps company realized that they would never be able to reach their channels of distribution for the ‘High Number’ cards (#311- 407) by the end of the baseball season, so they trucked limited quantities to stores in the northeast United States and Canada, but the rest took a boat trip into the Atlantic for a burial at sea – making those that survived very desirable – Mantle is #311!!

Next up, batting in the power position was one of New York's MVPs – three Mets fans agreed to buy Mike Piazza's post 9/11 home run jersey in a private sale (removing it from a public auction) for \$365,000, a fair market price according to the auction house. Stipulated in the sale was that the buyers had to agree to display the jersey (on a rotating basis) at the Nation Baseball Hall of fame in Cooperstown, the 9/11 Memorial Museum in Manhattan and of course at Citi Field (where it has been on loan) – insuring that the jersey will always have a home base in New York. The jersey was worn by Piazza during the first sporting event held in NYC after the 9/11 attacks – the Mets were trailing the Braves in the bottom of the eighth inning, Piazza slammed the ball out of the park, over the left field wall, giving the Mets a 3-2 lead – the fans broke out chanting U-S-A, U-S-A – what an incredibly uplifting and memorable moment in Mets history...Really!!! (FYI...The Mets won 3 – 2)

And batting clean-up, the ‘Laws of Base Ball’ hit it out of the park– a group of documents outlining the original rules of baseball, written by Daniel Lucius ‘Doc’ Adams, sold for \$3.26M to an anonymous buyer. (The third highest price for any sports memorabilia; the original ‘Rules of Basketball’ holds the #2 spot - \$4.3M and Babe Ruth's 1920 jersey is in first place with a price of \$4.4M) Specified in the documents was that the game would last 9 innings, have nine players on each side, and the bases must be 90 feet apart. Furthermore, the ball can't weigh less than 5 ¾ ounces and while the bat can be any length, it cannot be more than 2 ½ inches at its widest part. The ‘Laws’ last sold in 1999 for \$12,650...I would say the previous owner REALLY hit a grand slam!

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### **The Art Market**

This month we saw one sale of any merit (a review is below) and since the real action is going to start in May I decided to chime in on some of the art world news that surfaced this month ... but first, the sale.

#### **19<sup>th</sup> Century European**

By: Lance

It was another ‘run-of-the-mill’ 19<sup>th</sup> Century sale... Nothing spectacular, a few good lots, and a total just shy of the pre-sale estimate... I feel like I've written this all before...

Christie's put forth their 19<sup>th</sup> Century offering at the end of April in New York and while there were a few great pieces in the sale, most of the material was rather unexceptional. Don't get me wrong, we are still talking some big names; Daubigny, Corot, Courbet, Lhermitte, Bouguereau and so on but it just wasn't the caliber you would hope to see. Further, the mid-level work that filled the balance of the sale did not do much in the way of bolstering the results... Let's get into the headliners and the big failures from the sale.

Taking the top spot was a large work by Francesco Hayez, *Il Bacio*, which was originally purchased by The Grand Duke Vladimir at the Exposition Universelle in Paris 1867. From there, the work was gifted to his daughter, The Grand Duchess Helen of Russia, and passed down through the family. This canvas, considered one of the most intense representations of a kiss in the history of Western art, blew past its \$700-1M estimate as the bidding topped out at \$1.87M. Two lots fell into a distant second at \$965K: Bouguereau's *La Perle* (\$800K-1.2M est.) and Sir Alfred James Munnings' *Portrait of Charles and Grace Amory* (\$800K-1.2M est.). Interestingly, the provenance on the Bouguereau lists that it was acquired by the present owner from a Christie's sale back in October 2008; but auction records indicate that the work went unsold in that sale – must have been an after-sale purchase and hopefully it was quite a bit below the \$1.2-1.8M estimate that the work carried back then.

Other notable lots included another work by Munnings which found a buyer at \$809K (est. 400-600K), a large Venetian scene by Felix Ziem which was gifted to and displayed at the Metropolitan Museum of Art in 1959... the work sold for \$233K (est. \$80-120K) and a Grimshaw at \$239K (est. \$150-250K).

As always, there were a few big failures... worst of all was the projected top lot for the sale; a massive canvas by Ivan Aivazovsky, the prominent Russian marine painter. The work is from a series of monumental paintings he completed on the life of Christopher Columbus; this one depicting his arrival to the American coast with ships off in the distance and groups of Native Americans looking on from a rocky shore. Expected to bring \$1.2-1.8M, the bidding sputtered out at \$750K and never recovered... Another work by Bouguereau also failed to sell with a \$1-1.5M estimate and this one too was listed as sold in 2008 however auction records indicate that it went unsold on a \$1.5-2.5M estimate... I assume this one was snatched up after the sale as well.

In all, 41 of the 94 works failed to sell which is... well, bad. That works out to 56% of the lots finding a buyer and yielded a total of \$9.4M... just a bit shy of the low end of the estimate range -- \$9.89M.

### **Art Market Rant**

By: Howard

### **Good News – Authentication Protection**

In recent years a number of lawsuits have been brought against experts for their opinions on works of art. The fear of legal repercussions and the huge expenses that can occur have caused a number of authentication boards to close ... among the more famous are Warhol (closed 2011), Basquiat (closed 2012), Haring, Lichtenstein and Pollock. The potential risk for huge expenses was driven home when it was released that the Warhol foundation spent some \$7 million defending themselves in one case ... and they won! As I am sure you can guess, the closing of these boards and the reluctance of other experts to voice their opinions has become a real issue in the art world.

Happily, on April 11, Bill 1229-A was passed by the New York State Senate and now heads to the Assembly. The bill, introduced by Senator Elizabeth "Betty" O'Connor Little, will protect 'Authenticators' from frivolous lawsuits. According to the bill, an authenticator is "... a person or entity recognized in the visual arts community as having expertise regarding the artist, work of fine art, or visual art multiple with respect to whom such person or entity renders and opinion as to the authenticity, attribution or authorship of a work of fine art or visual art multiple, or a person or entity recognized in the visual arts or scientific community as having expertise in uncovering facts that serve as a direct basis, in whole or part, for an opinion as to the authenticity, attribution or authorship of a work of fine art or visual art multiple. "Authenticator" shall include, but not limited to, authors of catalogue raisonné or other scholarly texts in which an opinion as to the authenticity, attribution or authorship of a work of fine art or visual art multiple is expressed or implied." There is a bit more to the bill and here is a link in case you are interested in reading it (it is a very short one):

<http://legislation.nysenate.gov/pdf/bills/2015/S1229A>

In the end, this bill will ensure legal protection for those authenticators who are practicing in good faith. This is important since serious expertise is something art world professionals, collectors and everyday buyers desperately need.

## Bad News – Greed

Over the past few days, articles have appeared about ‘major’ art dealers who have crossed into the Dark Side. Jori Finkel’s article in The New York Times gives a nice overview of California’s Ace Gallery’s fall from grace: “... on April 6, Mr. Christmas lost the keys to his gallery, after failing to make a \$17.5 million court-ordered payment to settle his debts in a long running Chapter 11 bankruptcy case.” For a more complete history of the gallery’s legal woes, check out their page on Wikipedia ... “by 2006, Christmas [the owner] had filed for Chapter 11 bankruptcy protection at least six times since 1982.” Here is my question, if a gallery has had so many legal issues, why do people and artists still deal with them? When people patronize establishments like this they help fuel the fire!!

Right on the heels of that story came news of L.A. dealer Perry Rubenstein arrest on three felony counts of grand theft by embezzlement – which Alyssa detailed earlier. Of course, there are always two sides to every story and we may have to wait until this case goes to trial to learn more ... but from the sound of it, once again greed rears its ugly head.

It has been a rough month for Los Angeles’s contemporary art market. I have always said that when a gallery delays and delays payment for works that are sold you need to start worrying. Do not wait until the crap hits the fan ... otherwise you are going to have one dirty/smelly face.

## Unsettling News – Market Manipulation

At the end of April, we also learned more about the backroom deals some auction rooms are making. Katya Kazakina (Bloomberg) published an eye-opening article about the recent sale (not sure you can really call it a sale) of Cy Twombly’s record setting *Untitled (1968)*. It appears that there were no potential buyers for the work and right before the sale, Sotheby’s negotiated a deal with hedge fund manager Daniel Sundheim ... if he bought the work they would allow him to pay for most of it with a pledge to consign a number of works from his collection for upcoming sales (4 of them will be offered in May). The Twombly painting sold for \$62.75 million ... but can we really call that a sale? To me, it seems like more of a trade. On top of all that, the auction house’s deal with the Twombly seller (Audrey Irmas) entitled her to the hammer price plus a large chunk of the buyer’s premium. So it appears, as Katya points out, that the auction room paid for the pleasure of offering the work. Once the consigned works are sold we will know if this deal was a wise one ... or how much money Sotheby’s lost.

The most important lesson to be learned here is that you should never believe what you read. From most of the post-sale news articles it appears that the upper level of the contemporary auction art market is very strong; however, the strength of the market seems to have more to do with backroom deals and market manipulation than true auction/market competition.

The Rehs Family

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**Gallery Updates:** Happily we have nothing planned for the month of May ... so we will be at the gallery waiting for your visit!

**Web Site Updates:** This month a number of works passed through our hands. One the traditional side paintings by Guy Wiggins, Gen Paul, Daniel Ridgway Knight, Louis Aston Knight and a number of paintings by Edouard Cortes and Antoine Blanchard. On the contemporary side more than half of our current exhibition – Synesthesia – found new homes along with paintings by Todd Casey, Ken Salaz and Stuart Dunkel. We have also added a group of new works to our site ... a selection is featured below:



## TRADITIONAL



Cesare A. Detti  
*The Sacred and the Profane*



Yves Brayer  
*Mas dans les Alpilles*



Charles Camoin  
*Le grand bouquet*



Edouard Cortes  
*Place de la Madeleine*



Antoine Blanchard  
*Place de la Madeleine, Hiver*



## CONTEMPORARY



Erik Koeppel  
*Last Rays, Florida*



Ken Salaz  
*La Napoule, France*



Todd M. Casey  
*Incredible Hulk*



Stuart Dunkel  
*Struggle*



Todd M. Casey  
*Old Fashion*

Next Month: Reviews of the BIG sales!