

COMMENTS ON THE ART MARKET

VOLUME 197

Rehs Galleries, Inc.
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Skin & Tonic

The time has come ... Skin & Tonic opens on Thursday evening (May 4) from 5 – 9 pm – the show also goes live on our website at the same time. Stop by for a cocktail and meet the artists; between Todd Casey and David Palumbo there will be more than 100 works on display. Our opening night is sponsored by Perfect Vodka and RubyLUX ... and our master mixologist has created a very special drink; we call it a Skin & Tonic!

A digital copy of the accompanying catalog can be found on our website.

Since we know that a weekday opening is not convenient for everyone, we have decided to also open the gallery on Saturday, May 6, from 12 – 5. The show will continue through May 26 during normal gallery hours (Monday-Friday 10am – 5pm).

Mr. Leonard Litwin

By: Howard

During my short 57 years on the planet I have met many interesting and influential people ... a few of whom have left a lasting impression on me. The first are my parents who, among many other things, stressed the need to be honest (something I seem to have had difficulty with during my elementary school days --- boy did I spend a lot of time in the principal's office for giving "alternate facts" ... glad they beat that out of me). When I entered the art world my father still stressed the need to be open and honest ... he would always say that it may not be comfortable telling the truth, but it never changes so the story always remains the same. In addition, he taught me that your word is your bond ... if you tell someone you will do something, do it. These, among other words of wisdom, are things I will pass on to the next generation.

During the early part of my career, actually during the first year I worked in the gallery (1982), I had the pleasure of meeting a great collector and powerful New Yorker – John J. McMullen. I wrote a short piece about Mr. McMullen after his death in 2005 (Volume 58) ... but basically, he showed me that even though one might be a powerful business man, you can also be kind, friendly and a man of your word.

A number of years later (1988) I met another New York powerhouse – Leonard Litwin. Mr. Litwin (along with Jeffrey Hagedon) came to the gallery in search of artwork for his home on Long Island. I must be honest and say that in the beginning I had no idea who he was; however, it was obvious he was a very confident individual. He knew what he liked and when he made a decision he would shake your hand and it was a done deal. Over the next few years we had a number of interactions and he always remained true to his word. The best comment I ever heard from him was at the very beginning ... he turned to me and said ... *I will never spend more than \$100,000 on a painting* ... well, in 1991 he finally broke down and spent a little more ... just a little!

In 1991, my wife and I moved into a new home and when I spoke to Mr. Litwin he offered us the opportunity to come out to his wholesale nursery on Long Island to meet his daughter Carole and buy some evergreens for our backyard. We did not pass on that opportunity!

Over his long career, Mr. Litwin built a real estate empire in NYC known as Glenwood Management (he even bought some artwork for the lobbies of a few buildings). When Lance decided it was time to move out (ok, maybe we pushed just a little) I suggested he look at a Glenwood building (I felt that if I were going to spend money on rent I would rather give it to someone I knew and respected). Initially he fought me, but after looking around he soon realized that a Glenwood building was a really great option in terms of the apartment sizes, amenities and cost. A few years later we suggested to Alyssa that she might enjoy living in NYC (ok, we wanted the empty nest experience). It took her a little time to come around, but finally decided it would be fun. Again, I

suggested she look at the Glenwood properties ... maybe even the same building Lance was in. Her reply to that was: *I want my own building!* Well, a short time later Alyssa moved into a Glenwood property (by coincidence, it happened to be the same building Lance was in ... just a few floors higher).

This past month I received news that Mr. Litwin passed away at the age of 102. I attended his memorial service and the people who spoke (from other real estate moguls to his granddaughters) all had similar thoughts and memories ... a true gentleman and caring individual; one who never looked for notoriety, was happiest when helping others and when he made a deal it was done with a handshake. Mr. Litwin, you touched the lives of many and your memory will live on ... not only in them, but in their actions.

Upcoming Fairs

During the month of May we will be exhibiting at the Chicago Antiques + Art + Design Show which will be held at the Merchandise Mart from May 19 – 21. If you would like a complimentary ticket, please use the following link: [Your Ticket to the Chicago Show](#).

Right now, it appears that June will be a quiet one for us and then we will be back on the road in July and August when we will attend The Newport Antiques Show (July 28 – 30); The Nantucket Summer Antiques Show (August 11 – 14) and then the Baltimore Art, Antique & Jewelry Show (August 24 – 27) ... 3 shows in less than 5 weeks – we are going to be very busy!

Two New Artists

This month we are very pleased to announce that Rehs Contemporary has added two new artists to its roster.

The first is the great New York Photorealist artists Cesar Santander (B. 1947). While we knew of Cesar, and his art, for many years (he has been exhibiting work since the early 70s), we had the pleasure of finally meeting him about 5 years ago at one of our gallery openings. More recently, the gallery that represented him closed their New York operation and at our last event Cesar stopped by and opened the door to possible representation ... we jumped on the opportunity. We are looking forward to presenting his incredibly detailed works in the months to follow.

The second is an artist we recently became aware of through ... social media. While scrolling through one of our social media platforms we were struck by the Photorealist works of Jason Walker (B. 1970). My first thought was ... wow ... and then, who is this artist and why didn't I know of his work? I contacted him and soon discovered that this Scottish born artist was living and working in Canada, had only recently started using social media, and was looking for representation in the United States. Well, when you see the quality of his work you will understand why we were very interested and are now pleased to say that Jason is 'Coming to America'!

Stocks

By: Howard

Ok, this month it will be quick and painless (well, painless for those who invested in the right stocks – not me). We have been so busy with the San Francisco show and the gallery opening of Skin & Tonic that I only looked at my portfolio on the 29th.

As for the currencies and commodities, the Euro closed at \$1.089 (up a little); the Pound also improved - \$1.295; Crude dropped -- closing at \$49.19; and Gold made a nice jump – closing at \$1,269.50. As for the DOW ... we opened the month at 20,663 and closed out at 20,940 – a little gain is better than a loss.

I was hoping that with a bit of a gain, all my stocks would be up ... ha ha ha: JP Morgan (\$87 – down 1.44%), Exxon (\$81.65 – down 0.45%), GE (\$29.10 – down 2.32%), AT&T (\$39.88 – down 4.39%), Verizon (\$45.91 – down 6.55%), Wal-Mart (\$75.18 – up 6.28%), Coke (\$43.15 – up 1.72%), DuPont (\$79.75 – down 2.59%), Merck (\$62.33 – down 2.06%), Disney (\$115.16 – up 2.73%), Intel (\$36.15 – up 1.63%), Apple (\$143.61 – down 0.33%), Apache (\$48.64 – down 8.54% - very sad), and Microsoft (\$68.46 – up 4.57%). In case you are wondering, I sold my IBM. Of the 14 stocks listed, 9 were down ... and the DOW was up almost 300 points – hummm.

I would like to believe that all this market uncertainty is due to a great game of chess our Executive and Legislative branches are playing; however, I have come to the realization that they do not know how to play chess ... they are like children playing checkers ... all they want to do is crown themselves king and then jump in every direction!

Tales from the Dark Side

By: Alyssa

A twelve-year spree of peddling fraudulent “masterpieces” has come to an end for Michigan art dealer Eric Spoutz. According to reports, between 2003 and 2015, Spoutz preyed on art collectors looking for prominent American Modern artists like Willem de Kooning, Frank Kline and Joan Mitchell. Spoutz’s intricate web of lies included fictitious letters from law firms and galleries, sales receipts, even a letter bequeathing non-existent works to Dartmouth college. In addition, he sold a number at auction using different aliases. In the end, the FBI gained enough evidence to arrest Spoutz who was recently sentenced to 41 months in prison and three years of supervised release for wire fraud, forfeiture of \$1.45m in ill-gotten gains and over \$150k in restitution.

Light has finally been shed on a 40-year-old case involving a family’s stolen Rockwell. While playing a friendly game of pool in the 1950s, Robert Grant punctured a friend’s painting while retracting his pool cue a bit too far. At the end of the night, Grant paid his friend somewhere between \$50 and \$100 and headed home with the work in tow.

The painting became Grant’s prized possession, always placed in the most prominent area of each home he moved to. But, in the summer of 1976 the family returned home and the painting, along with a few other possessions, were gone ... stolen!

The case grew cold and it was not until the FBI released a 40th anniversary report on the theft that the case finally broke. An antiques dealer phoned in reporting that he believed he possessed the stolen work and handed it over to the FBI. Once confirmed, Grant’s children came to pick up their family’s beloved painting which some have said is worth \$1 million (Really?).

Anyone want me to come over to shoot some pool?

Really!

By: Amy

Stamp collecting is one of the most popular hobbies worldwide - I am guessing because there is easy access to stamps to get started, especially at a young age (Howard has collected them for decades – but I bet most are not worth much more than face value). New stamps created in almost every country reflect something about their culture and since they are relatively small, you don’t have the excuses that there is no more room in my house, or if I only had the wall space, or I love it but I don’t know where to put it...yeah, I’ve heard them all...really!! The following are a few interesting stamps that caught my attention ... some for what they made, and others for what they didn’t make. (I will add a disclaimer: I do not follow the stamp market on a regular basis, and these are just a few recent examples I found that surprised me, for better or worse...if you have any insight, I would be happy to hear from you.)

China’s first nationwide postage stamp was released in 1878 to great fanfare, and thus postal service became available to the public beginning on May 1st, 1878. The Imperial Marine Customs Post provided the service and the first three stamps, nicknamed the “Large Dragons” were printed and sold. The values printed on the stamps were 1, 3 and 5. An early set of these stamps recently sold for \$266K, close to the top end of the estimate (\$232 -283k). Chinese stamps are among some of the most famous, rare and valuable in the world and the Marine Customs Post Large Dragons is the rarest of China’s stamps! Really!!

The Double Geneva is a rare Swiss stamp that was issued in 1843, the third oldest stamp printed in Europe. Its name obviously comes from the double image on the stamp and its origin. Most of the Double Geneva stamps are cut on one side or have some type of condition issue, but, the one recently auctioned was a rare example (in excellent condition and maybe the finest known to date). It was estimated to bring \$42.5K and made just a mere \$23K ... Really? What am I missing?

This next example was a bit of a disappointment too. A Great Britain 1890 £1 brown violet IR Official stamp was estimated to sell for \$100k. It is among the rarest stamps from the British Empire and were used exclusively by the postal department for bulk mailings. Very few examples have survived, the one offered was considered among the best, but sadly it only sold for \$32K...really? Come on ... can one of our readers clue me in?

Now here's the stamp we should all be on the lookout for; this one is special, as is the man it honors ... the 1948 Gandhi. These stamps commemorate the first anniversary of India's independence, and each of them are marked SERVICE, meaning that they were for use by the Indian government. There are only two known examples to exist of this stamp in block form, the other is in the British royal collection. This unique strip of four 1948 Gandhi stamps sold privately for \$640,100!! A single example of the stamp sold at auction in 2011 for \$205K. Really!!

Ok, so you are probably wondering what is the most expensive stamp ever sold. Well, from my research I have found that it is the British Guiana One-Cent on Magenta. In 2014, one hit the market and sold for \$9.5M (on a \$10-\$20M estimate). Ok, it fell a little short of its estimate; but come on, that is pretty impressive for a stamp!

REHSing Artists

By: Lance

So far, we've covered finding a gallery, making contact, and presenting your work – perhaps one of the galleries is willing to give you a chance... now it is time to deliver.

There are several factors that need to be considered here and most will be addressed on a case by case basis with the gallery... for example, are you delivering previously shown or freshly created works? Are you or the gallery responsible for framing? Are you responsible for photographic documentation or is the gallery? These are important questions that you should plan to work out in the beginning.

Old and New

The first thing you should address, if you are delivering works that have already been on the market, is to ensure the previous gallery has removed them from their Internet platforms (gallery website and peripherals – Artsy, RubyLUX, 1st Dibs, etc.). You want there to be a clear line of action for a potential buyer – having the same work appear to be available at more than one gallery is confusing and doesn't look good... not to mention if someone walks into the gallery expecting to see the work and it is not present, that may turn the collector off from your work and the gallery.

Additionally, you should closely examine your works when you retrieve them – while most galleries take painstaking measures to protect your work, accidents do occur. If something happens to an artwork, a responsible gallery will contact the artist to get the issue resolved. That said, I've also heard stories where works were returned to artists with damage that was never addressed. The point I am getting at here is, make sure you are not delivering damaged artwork to a new gallery – they will not be happy about it.

On the other hand, if you are delivering freshly produced works, make sure you give sufficient time for them to dry before they are packed... Have you ever peeled "non-stick" release paper off the front of an oil painting? Oh man, it is fun! If you are shipping the works, please pack them in a reasonably professional manner. That is, get a sturdy box, protect the front of the piece, use bubble wrap or foam padding, ensure the work is wrapped tightly and fits snugly into the box so it cannot move around... DO NOT wrap it in a blanket, pad it with crumpled newspaper and slide it in that old TV box you had sitting in your attic – this is a recipe for disaster! Yes, sometimes the work will arrive safely (even with your MacGyver packing skills) but spend the extra few bucks to make sure it gets there in one piece. Oftentimes, galleries will plan incoming works for fairs or client visits and if they arrive in poor condition, it can greatly impact the presentation a gallery plans to make.

Framing

This comes down to expectation and should be worked out with the gallery at the very beginning. There are three simple options – 1. You paint works that do not need to be framed, 2. You can frame the works yourself, or 3. You can have the gallery frame the works for you. Not all galleries will offer you that third option so be aware that you may be responsible for assuming the cost of framing your work. Once you know who is footing the bill, you should discuss the actual framing. Some galleries are very involved in this and some are not – what I mean is that some are very particular with how they expect works to be framed (I will tell you that we are). If you are responsible for the framing, you should find a style that will sit well with the other works being shown and will

also meet the gallery's expectations upon delivery. If the gallery will be framing the works on your behalf and you have a desired framing style, be open about it and express how you see the completed work – most gallery's will be receptive to your wishes (if they are within reason).

Photography

It is incredibly important to document the work you produce, so keep photographic records of EVERYTHING. I will not get too technical* in this section but you should figure out if the gallery is going to be responsible for photographing the works or if that is your job before you deliver. In the end, you want to ensure that there are color-correct high-resolution photos for your own personal records. Some galleries do this (usually for their website or marketing materials) and will share them with their artists; but if they do not, you should take it upon yourself so you have access to the images later on (you never know what opportunities might arise). If you are responsible for delivering photographs of the work to the gallery, be sure that they are color corrected and in focus.

(*Technically speaking, we recommend at least 300dpi resolution at 8 x 10 inches)

Paperwork

The final thing I want to touch on are consignment agreements (I am not talking about a representation contract or an exclusive). When you deliver a work, the gallery should provide you with a written consignment agreement which clearly states a few things... a full description of the work, the retail pricing, your net (the amount you receive from the sale), and who is responsible for insurance. You should receive copies of all signed agreements and create a file (if you want to be really organized, make a separate file for each gallery) ... remember, this will be an official paper trail.

Over the next few articles, I'll get into each of these topics with a bit more detail and some more direction but this should give you a basic understanding of what to consider as you venture into your art career.

The Art Market

By: Howard

The month of April saw a spattering of warm-up sales (May is going to be HUGE). Since this newsletter is pretty long already I have decided to focus on just two sales ... the Orientalist in London and the Old Masters in New York.

On April 25, Sotheby's presented a small selection of Orientalist works in London and the results were in line with expectations. In Real Estate, it is all about location, location, location. Well, in the art world it is all about location, timing, estimates, and the right reserve (you will see why shortly). Taking the top slot here was Georg Opiz's *The Arrival of the Mahmal at an Oasis en Route to Mecca*. Estimated at £800-1.2M, the work found a buyer at £945K (\$1.2M). In second was Ludwig Deutsch's *The Procession of the Mahmal Through the Streets of Cairo* which brought £309K (\$395K - est. £250-350K) ... this was last offered in a 2014 London sale with an estimate of £1-1.5M and as you can guess, failed to find a buyer ... with that estimate it is no wonder. This time, the right estimate and a reserve someone could live with made all the difference. In third was Rudolf Ernst's *The Fortune Teller, Cairo* which brought £249K (\$319K – est. £80-120K).

Here are a few more examples, from this sale, which illustrate why location, estimates, reserve and timing come into play. In 2013 Ernst's *An Afternoon Discussion* was offered with an estimate of \$250-350K and failed to sell, in 2014 it was offered again at \$80-120K and sold for \$81K (with commission). In the 2017 sale, the title was changed to *An Afternoon Repast* and was offered at £80-120K ... it found a buyer at £138K (\$176K). Jean Lecomte du Nouy's *Orientalist Guard* was sold on December 7, 2016 in Canada for \$23.4K (\$17.6K – est. \$4-6K). Here the work had a new titled – *The Sentinel* – and sold for £138K (\$176K – est. £60-80K) – someone made a nice return by moving it to a better location. Ludwig Deutsch's *A Street Celebration in Cairo* was offered in a 2016 New York sale and failed to find a buyer at \$200-300K ... this time it was moved to London with an £80-120K estimate and sold for £100K (\$128K – probably right on the reserve). And finally, we have Baugnies's *The Dhikr* which sold for £100K (\$128K – est. £80-120K) ... it last sold in a 2015 Connecticut sale for \$72K with the title *Remembering the Divine*.

In the end, of the 39 works offered, 31 found buyers (79.5%) and the total take was £3.39M (\$4.34M) ... the low end of the presale estimate range was just about £2.86M.

I have said this many times ... just because an auction house places an estimate on something does not mean it is really worth that amount ... it is just an estimate. In addition, the inefficiencies of the art market are such that you can buy a work in one place and sell it in another for a lot more, or even a lot less, money (all about location, location, location).

On April 27, we headed back to New York for Christie's Old Master evening sale. Taking the top position here was Govaert Flinck's *An Old Man at a Casement* which sailed past its \$2-3M to sell for \$10.3M (the work last sold in 2011 for \$3.64M - so this time around, based on the \$2-3M estimate, the owner was ready to take a loss). In second was a work Attributed to Hugo van der Goes titled *The Virgin and Child with Saints Thomas, John the Baptist, Jerome and Louis* which also eclipsed its estimate of \$3-5M when it sold for \$8.99M and in a distant third there was Francesco Francia's *Saint Barbara* which made \$1.45m on a \$400-600K estimate.

There were some 50 lots in the sale and 36 sold (3 were withdrawn) for a total take of \$32.8M – interesting to note that the two top lots accounted for 59% of the sale's total. What really bothers me about this auction room is that they no longer provide detailed information about their sales: no pre-sale estimates, no percentage of lots sold and they remove all the unsold works from their website. So much for this auction room helping make the market more transparent!

The Rehs Family

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Gallery Updates: Skin & Tonic opens this Thursday and then on the 19th we will be exhibiting in Chicago.

Web Site Updates: This month a number of works have made their way through the gallery; among the artists were: Gosling, Roseland, Cortes, Hollingsworth, Evan, Koeppel and Palumbo. We have also added new works to our web site; below is a small selection of the recent additions:

TRADITIONAL



Federico del Campo
Le Rio dei Ognissanti et le Pont Trevisan



Louis Valtat
Madame Valtat et son fils Jean Ecrivant



Johann Berthelsen
5th Avenue Looking South from 59th Street



Ferdinand Pautrot
Partridges and Serpent

CONTEMPORARY



Jason Brady
Fiat Justitia, et Pereat Mundus



Dorian Vallejo
The First Breaths of Dawn



Dorian Vallejo
Five Seconds



Dorian Vallejo
Nighttime Sea Journey



Erik Koeppel
Summer Rain

Next Month: It is a big one, so hold onto your hats!