

# COMMENTS ON THE ART MARKET

## VOLUME 142

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### Upcoming Show – Dallas

This November the gallery will be heading to the Lone Star State for the Dallas International Art, Antique and Jewelry Show which runs from November 8 – 12 and takes place at Dallas Market Hall. We have participated in this show for the last 2 years and are looking forward to coming back to Big D. At this point we plan on exhibiting works by many of our favorite artists, including: Knight, Berthelsen, Cortès, Herring, Leloir, Lesur, Blanchard, BauerFriedman, Harris, Jahn, Oretsky, South, Swatland and Pousette-Dart.

### The Big Gamble

The Big Gamble is still in the development stages ... that is, most of the artists who will be participating are still in their creation phase. A few have already completed their works and we will be using details of some in upcoming ads ... we will wait until April 6 (when the show opens) for the Big Reveal.

Next month I will give you a complete listing of the artists who will be participating ... some are well known names in the Contemporary Realist world while others are up and coming stars. This will be a very exciting event.

### Stocks

Well, it was another reasonable month for the stock market and almost all of my new purchases are still in the black ... but how difficult was that when the market has moved up close to 1000 points since I bought them?

The Dow is sitting just north of 13400 and as for some of my favorite individual stocks (↑ or ↓ are based on last month's posted numbers) ... Altria (33.40 – ↓), Pfizer (24.81 - ↑), JPM (\$40.36), Exxon (\$91.2 – ↑), Emerson (\$48.3 - ↓), INCYTE (\$18.01 - ↓), GE (22.69), MCD (\$91.6 - ↑), Berkshire (\$88.1 – ↑), VOD (\$28.5 – ↓ a tad), ATT (\$37.7 - ↑), VZ (\$45.47 - ↑) and Chevron (\$116.3 – ↑). I still have a smile on my face ... hope it lasts!!!

### Tales from the ...

#### Dark Side

Well, there have been some updates on previous stories so I figured I would – update you!

**Knoedler** – It was reported that Domenico & Elanore De Sole have added Michael Hammer (chairman of the now defunct Knoedler Gallery), Jaime Andrade and Jose Carlos Bergantinos Diaz to their lawsuit. In case you missed this one, the De Sole's claim that the Rothko they purchased from Knoedler for \$8.3M in 2004 is a fake (Knoedler bought the work from Glafira Rosales for \$950,000). The De Sole's are seeking damages in excess of \$70M! WOW!!

**Gagosian** – this past month a judge rules that Jan Cowles' lawsuit against Gagosian could proceed.

**Gagosian & Perelman** – these two powerhouses have brought suit against each other over payment (or non-payment) of Perelman's purchases.

**Unknown** – it was reported that thieves made off with millions of dollars' worth of art (about \$10M they claimed; but after seeing images, that was a very conservative estimate in my opinion) and other items (watches, wine, a car ...) from a Santa Monica home; among the missing items were paintings by Mondrian, Diebenkorn and Johns. A few days later a reward was posted by Jeffrey Gundlach in the amount of \$1.7M for the return of the stolen items ... of that, \$1M is for the Mondrian.

#### Happy Side

Yes, there are happy stories as well in the art world ... and here are a few:

**Renoir** – a flea market find by a Virginia woman appears to be an original painting by the famous Impressionist artist Pierre A. Renoir (it was in a box of items that she paid less than \$50 for). The painting was to be sold on the 29<sup>th</sup> and made --- nothing! Why? At the last minute – this past Thursday – it was discovered that the painting was stolen from the Baltimore Museum of Art in the 1950s ... so this is now a happy and sad story – right now the insurance company that paid out on the claim in the 1950s is probably going to be happy and the woman who bought it at the flea market is probably pretty sad. But as we all know, once things move into the legal realm anything can happen ... I will be keeping my eye on this story and will pass on any updates.

**Picasso** – a New York dealer, who was researching a glass sculpture by Picasso, called an Evansville museum about a work that might have been in their collection. The museum had no record of the work and that ended the call. However, curious museum officials did some digging and 'found' an unopened crate which was labeled as a work by Gemmaux ... it was actually Picasso's glass sculpture *Femme Assise au Chapeau Rouge*. Values have been flying around (some in excess of \$30M) and at this point the work is being offered privately ... so in the end we may not find out what it brings. But once it is sold, I am sure the museum will be very happy!

**Bolotowsky** – A North Carolina artist was rummaging through a Goodwill shop and bought (for \$9.99) an abstract oil painting ... turns out it is by the Russian/American artist Ilya Bolotowsky (we have an important early 1950s work by the artist on our site). Well, the 1966 Vertical Diamond sold this past month and brought \$34,375 ... not a bad investment!

**Jeffrey Gundlach** – just as I was about to hit the print button it was reported that the paintings stolen from Gundlach's Santa Monica home were recovered.

## The Art Market

Well, September was warm up time in the art market. The big salerooms put forth a number of lower end sales to whet the appetite and while there were a few tasty morsels, many of the works were either pretty cold or not that appetizing. These sales covered a wide range of material, from 19<sup>th</sup> century to contemporary – so I am just going to limit myself to the fields I know best; the 19<sup>th</sup> century European and American.

### London

At the beginning of the month Christie's presented The London Sale – guess they were trying to capitalize on the Olympic action that took place in August. This was a mixture of all kinds of stuff ... photography, posters, etchings, sculpture and paintings (I will stick to the paintings).

The art made up over half the sale and at the end of the day, provided many of the highest prices realized. Taking the top slot was a very nice Grimshaw painting of *Southwark Bridge and St. Paul's* that brought £361K (\$574K – est. 150-200K). In second came a pair of works catalogued as Follower of Canaletto which brought £139K (\$221K – est. £60-80K) and in third was Seago's *The Quadriga, Hyde Park Corner* at £91K (\$145K – est. £80-120K). Based on my calculations, there were 82 works of art offered (paintings/works on paper) and of those 63 sold ... a sell-through rate of 76.8%. As for the overall sale, there were 167 works offered, 140 sold (84%) and the total take was £1.44M (\$2.3M – presale est. was £929K – £1.32M) ... not bad!

After that there were numerous modern and contemporary sales, but to be honest I paid no attention to them. I turned my attentions back to the auction market at the end of the month when the American paintings sales in New York and a 19<sup>th</sup> century sale in London appeared (please keep in mind these were the lower end/mid-level sales).

### American

Even though we were involved in the Avenue Show during the preview, I made a point of viewing both American sales since I knew I would need something to write ... ok, I probably could have come up with something else to fill the space, but I was going through auction review withdrawals.

First up was Christie's and as I stated earlier this was a general sale so there was very little prime beef here and I figured that a high percentage of the works, all of which were looking for new homes, might be difficult to digest. Don't get me wrong, there were some appealing paintings; but many of the works, for lack of a better phrase, were just ... not on my menu. Taking top honors here were two Norman Rockwell paintings: *Keeping his Course* made \$219K (est. \$100-\$150K) and a tiny study for *The Runaway* brought \$207K (est. \$80-\$120). Neither of these works did anything for me, but at least two people felt differently. Rounding out the top 3 was Wyeth's *Front Door at Teel's* which brought \$98K (est. \$50-\$70K).

When the sale finished, of the 160 works offered, 100 found buyers (62.5%) and the total take was \$2.65M (lower end of their estimate was about \$2.6M ... so they made it with the buyer's premium added in).

### European

A couple of days later Christie's offered a 19<sup>th</sup> Century European Art sale in London ... and to be blunt, this was not a very impressive sale --- there was a lot of fast food.

The main dish here turned out to be Adrien Thevenot's *Musique sur l'herbe* at £59K (\$95K – est. £15 – £20K); while Rosa Bonheur's *A roe deer in the forest* at £37K (\$60K – est. £8-£12K - to me, this was a small painting, 16 ½ x 22 inches, of a dead deer and in my personal opinion that was an impressive price) and works by Ziem and Follower of Louis Dupré ... each made 25K (\$40K -- the Ziem's est. was £10-£15K while the Follower of's was £3-£5k) rounded out the main meal. After those all the other works fell in the under £10K range --- so that gives you an idea as to the type of works being served.

When the sale ended, of the 189 items on the menu 127 sold (67.2%) and the total take was £571,475 (\$923K); the low end of their estimate was £604K (\$976K) – so even with the buyer's commission they fell short. I will say that they did better than I expected, so there is some signs of strength in the lower end of the market.

### American

On Friday, Sotheby's offered their American paintings and once again I was not overly impressed – but it was their lower/mid-level works; however, like any other sale there were a few tempting pieces. On the front burner here was a very nice Rockwell titled *Is He Coming?* which burned past its \$200-\$300K est. to sell for a sizzling \$603K. On the side burner was Karl Buehr's *Young Woman on a Porch* which left its \$30-\$50K est. in the sink when it sold for \$189K, and on the backburner was Grandma Moses' *On the Banks of the Hudson River* which with the buyer's premium fell within its \$80-\$120K estimate ... selling for \$93K.

When the day ended, of the 204 works in the catalog 129 sold (63.2% - about even with the competition) and the total take was \$3.5M (low end of the est. range was \$3.3M ... so they also made it with the buyer's premium added in). Now the Sotheby's sale made about \$900K more than the Christie's sale, but they also had more lots ... so when we calculate the price per lot sold we see that they were pretty evenly matched – Sotheby's came in at just over \$27,000 while Christie's was about \$26,500.

What we can take away from these results is that the market is still in the *if it is a good work it will bring a good price and if not, who knows* phase. It will be very interesting to see how things develop through the fall season. If the big salerooms use the right recipe (slim and trim sales) we could see some very pleasant results ... but that is a big 'if'.

Howard L. Rehs

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**Gallery Updates:** Another reminder -- will be exhibiting at the Dallas Show at the beginning of November. We will email tickets shortly.

**Web Site Updates:** We have added, or will be adding, a number of new works to the web site by Ridgway Knight, Georges Laugee, Jahn, Lovett, Bauer, Combes and Pousette-Dart .

**Next Month:** The sales – there should be a few more to review!