

# COMMENTS ON THE ART MARKET

## VOLUME 210

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Rehs Galleries, Inc.  
Rehs Contemporary Galleries, Inc.  
5 East 57<sup>th</sup> Street, New York, NY 10022 – (212) 355-5710  
www.rehs.com

### Summer Hours

For the month of June, the gallery hours will be:  
Monday - Thursday 10 am - 5:30 pm  
All other times by appointment

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### Stocks

By: Howard

I am pleased to say that with all the action going on in the art market this month I did not check on my stocks until today. When I searched for the current crypto-currency prices, I knew Amy was not going to be a happy puppy. Bitcoin got crushed – we closed last month at \$9,144 and today it hit \$7554 – yuk! Ethereum fell to \$584.12 – down over \$80 for the month... double yuk! Litecoin dropped to \$119.24 ... giving back almost \$27, and Ripple lost nearly 20 cents to close at .6147 – Oh well, better luck next month!

The Dow seems to be stuck in the 24,000 range ... opening at 24,163 and closing out the month at \$24,415. Also, the Euro closed out the month at \$1.17 (again, down a few cents); the Pound also dropped to \$1.33; Crude lost a bit at \$66.96, and Gold fell a little - \$1,302.90.

And now for the all-important part – my stocks ... JP Morgan (\$107.01 – down \$1.77), Exxon (\$81.24 – up \$3.29), AT&T (\$32.32 – down \$0.38), Verizon (\$47.67 – down \$1.70), Wal-Mart (\$82.54 – down \$5.92), Coke (\$43.00 – down \$0.21), DowDuPont (\$64.11 – up \$0.87), Merck (\$59.53 – up \$0.66), Disney (\$99.47 – down \$0.86), Intel (\$55.20 – up \$3.58), Apple (\$186.87 – up \$21.61 – very nice), Microsoft (\$98.84 – up \$5.32) and United Technologies (\$124.82 – up \$4.67).

Better than last month ... 6 down and 7 up – and the ups far exceeded the downs. I will say that this month my broker did try to get in touch with me, but I was so busy I never spoke to him.

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### Tales from the Dark Side

By: Alyssa

### Even More Drama at the Upper Levels

Just the other day we got wind of a lawsuit that Steve Tananbaum has brought against Gagosian Gallery and Jeff Koons; now it seems there is another unhappy collector. Joel Silver (movie producer) filed papers in Manhattan Supreme Court stating that he agreed to purchase a Koons “Venus Balloon” sculpture from Gagosian in 2014 for \$8M and has already paid the gallery \$3.2M. The problem, he has yet to receive the piece and delivery dates keep getting pushed back. Initially, the work was to be completed in 2017, then 2019 and now 2020.

### Turning Your Christopher Wool Into A Lucio Fontana

It seems that Nicholas Morley, son of art collector Harold Morley, decided to alter the look and value of one of his father’s paintings. Harold consigned a Christopher Wool painting (valued at \$2.95M) to Opera Gallery in Aspen,

Colorado. On May 1, Nicholas flew from the UK to Colorado, entered the gallery, and slashed his father's painting with a razor. The motive is not yet known ... maybe he thought he would improve its value by turning it into a Fontana?

In a letter that Harold sent to the gallery, attempting to play down the whole incident, he is quoted as saying We could even put it up for sale now for \$3.5m on the basis it is 'famous'.

### **Ezra Chowaiki Pleads Guilty – More Art World Greed**

The end has come! Manhattan art dealer, Ezra Chowaiki, pleaded guilty to fraud charges and is facing up to 20 years in prison ... though it seems that prosecutors will recommend a term of 4 to 5 years. He also agreed to forfeit \$16 million and 25 works of art obtained during a scheme where he would convince unexpected collectors and dealers to lend money and/or artworks for a profit but never paid up. Another sad case of greed in the art world.

#### **PREVIOUS RELATED ARTICLE**

In Volume 204 of our Comments on the Art Market, we briefly covered the charges brought against art dealer, Ezra Chowaiki. Since then, more information has come to light regarding the now bankrupt art gallery and its crooked dealer.

The court documents regarding the company's bankruptcy claim reveal it has less than \$300,000 in assets and almost \$12 million in claims by victims who were defrauded.

Here are some of Chowaiki's victims

A Cayman Island company, that is managed by a modern-art dealer, alleges that it was cheated out of \$900,000. The deal was that he would purchase a 50% stake in a sculpture which Chowaiki would flip for a quick profit of over \$100,000 to the victim. Chowaiki claimed a buyer was already lined up and willing to pay \$2.15 million. However, once the money was wired, the victim learned that the work was not being sold by Chowaiki but actually up for auction in London.

Sotheby's had hired the gallery as an agent to purchase "Titine Trovato in Dress and Hat" by Henri Matisse for \$12 million. Sotheby's then had plans to resell the work for \$15-\$20 million. Before the deal went through, the gallery sold the work to another buyer for \$4.75 million. Sotheby's is seeking damages for the loss.

Carpenter Fine Violins and Collectibles LLC., claims they acquired a 50% stake in Kandinsky's "Schichtenweise" for \$312,500. What is interesting is that this is the same amount of money "Victim-2" in the lawsuit claims Chowaiki stole; however, there is no information yet that connects these two cases.

### **Vodka & Art – A Recipe For Disaster**

On May 25th, Igor Podporin, a 37-year-old Russian who had a bit too much to drink, took a metal pole and attacked one of Russia's most famous works of art, Ilya Repin's *Ivan the Terrible and His Son Ivan on November 16, 1581*. Painted in 1885, the painting depicts Ivan holding his son after killing him in a fit of rage and has been compared in importance, by Russian curators, to da Vinci's Mona Lisa. I am not sure I would go that far, but who am I to argue with them?

According to reports, the drunk Podporin shouted something at the time of his attack to the effect that Ivan the Terrible did not kill his son. A security video from Moscow's State Tretyakov Gallery shows Podporin drinking 3-4 oz. of vodka in the gallery's café, grabbing a metal security pole and striking the canvas. The museum is now considering options to prevent future incidents, like no longer serving alcoholic beverages and placing the work behind bulletproof glass. That is all well and good, but are they going to put every work of art behind glass?

Vladimir Aristarkhov, the deputy culture minister, is pushing to see penalties for similar crimes increased from the current three-year maximum sentence and plans to make the outcome of this occurrence an example for future cultural attacks.

### **Told You I Could Sell The Basquiat!**

We recently reported on a family squabble that pitted father against daughter. It came to a head over a painting once owned by Dolores Ormandy Neumann (wife and mother) who was a leading figure in the 1980s supporting New York's

local graffiti artists. Dolores passed away in 2016 and her daughter Belinda was given the vast majority of Ms. Neumann's property and was appointed the preliminary executor of her estate shortly before Ms. Neumann died in 2016, according to Mr. Neumann's lawsuit. This included Basquiat's *Flesh and Spirit* that Dolores purchased in the early 1980s for \$15,000, and was the focus of a recent injunction brought by Dolores's estranged husband, Hubert Neumann.

It appears that on her deathbed, Dolores fully disinherited her husband claiming spousal abuse, and the couple's other daughters, Melissa and Kristina, were left with only modest shares, the suit states. They signed affidavits supporting their father's lawsuit. This all sounds a little fishy.

Hubert attempted to halt the Basquiat sale at Sotheby's, claiming in Surrogate Court, that he was entitled to a third of the estate and outraged with Sotheby's low estimate of \$30 million (just last year a work from the same period sold for \$110.5 million). Shortly before the sale, the judge threw out the case and the Basquiat brought \$30.7 million.

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**Really!**

By: Amy

We were all intrigued this past month with the Sale of the Century – the Collection of Peggy and David Rockefeller. The sale, well actually 7 sales, took place the second week of May and made headlines as it was considered the most valuable private collection to go to auction. With a guarantee of \$650M, the results did not disappoint as the first evening sale of 19th and 20th Century Art made close to the \$650M – really!! Over the next few days, the sales kept racking it up for a grand total of \$832.6M. The press could not get enough of the results from the art, but there was a lot more than art! Of the 1560 items (I believe there were 922 lots), just 174 were paintings or sculpture, which means there was something for everyone who wanted to Live Like a Rockefeller. When all was said and done, the items ranged from a staggering \$115M for Picasso's "Fillette à la corbeille fleurie" to just \$625 for a Staffordshire figure of a cobbler (c. 1750 - which fell short of its \$800-1200 estimate). This sale should put an end to the speculation that the antique market is dead since it was a White Glove Series -- everything sold ... even a large amount of dark wood furniture. (I will add that there were no reserves – but with the prices most items made, that seems irrelevant.)

The most expensive lots that were not paintings or sculpture were sold in the Travel and Americana Sale. A rare Anhue-decorated blue and white dragon bowl (1426-1435), thought to be one-of-a-kind (there are two somewhat similar bowls in the collection of the National Palace Museum in Taipei), was estimated to make \$100-150K and sold for an incredible \$2.8M. Then, several lots later, an Imperial gilt-bronze figure of Amitayus from the Kangxi period (China, 1662 -1722) sold for \$2.5M - more than four times the high estimate of \$600K.

I was especially intrigued by the amount of tableware the Rockefellers collected. They loved to entertain and amassed a collection of about 67 sets, some of which were inherited from David's mother Abby, an influential force behind the Museum of Modern Art. Top honors went to an impressive set of porcelain dessert dishes that were commissioned by Napoleon I (c.1807-09). Known as the "Marly Rouge Service," the original set was comprised of 256 pieces, the Rockefeller's owned just 22 pieces which carried a \$150-250K estimate; after an intense bidding war, the lot sold for \$1.8M. I would really like to be invited to the buyer's home for cake and ice-cream. There were also a couple of interesting dinner sets which brought pretty impressive prices. The first was a 'Tobacco Leaf' set made in China during the Qianlong Period (c.1775) that the Rockefeller family acquired piece by piece from 1953 – 1990 ... that is determination! It was estimated to make \$200-300K and sold for \$1.15M – hmmm, I wonder if you can put those in the dishwasher? What I found more intriguing was that they owned another set of 'Tobacco Leaf' dinnerware, but this set was made by Mottahedeh, a well-known manufacturer of luxury ceramic antique reproductions. This set was purchased by the Rockefellers at a Sotheby's auction in 2011 for \$12,500; here it carried a \$6-8K estimate (seems realistic for a used set of reproduction dishes) and sold for a really remarkable/stupid \$912.5K. (I wonder if you can tell the difference between the two sets? Maybe not, since the same buyer bought both – they must be planning one BIG dinner party!) FYI - you can still buy the dinnerware from Mottahedeh, and a full service for 12 with a sufficient number of serving pieces would set you back about \$15K! I really think the Rockefeller name had something to do with this price.

A few more items worth mentioning are a pair of hollow red-breasted Mergansers duck decoys (est. \$40-60K) that flew past their estimate and sold for \$212K, and another decoy called Whistling Swan swam past its \$100-150K estimate to make \$349K. In a story recently relayed to me, David Rockefeller loved his decoys so much that he had them all around his room when he passed away.

And the last item that blew me away, as well as its estimate, was a tiny money clip with a picture of Rockefeller Center engraved on it which sold during the Online Auction - estimated to sell for \$800 -1200, it just slightly surpassed the estimate when it sold for \$75K!!! Maybe the person thought it printed the money too ;- ) There was just way too much stuff to cover it all!!!

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## The Art Market

By: Howard

Once again, May was one heck of a month for the art market. We started with the Rockefeller sale (\$832.6M) ... which broke records along with many people's pocketbooks and hearts ... and then the action carried on through the Impressionist, Modern, Post War, Contemporary (\$1.9 billion) and finished with the 19th century European, American (both of which carried works from the Berkshire Museum), Latin American and Old Masters (another \$119M). With just those sales we were pushing the \$3 billion mark ... remember, there are many other sales that take place around the globe, so the total amount of art sold in the public forum was well over \$3 billion.

Throughout the month we posted our reviews, thoughts, and comments on many of the sales ... we trust you will enjoy them.

### \$1 Billion Is On The Horizon – More Than Half Way There

Last night, Christie's New York (located in Rockefeller Center) held part 1 of their highly anticipated sale of the collection of Peggy and David Rockefeller. Billed as "the sale of the century," more than 1,500 lots are to be offered including the 44 star lots from last evening. It probably should be noted that all 44 works carried a guarantee from Christie's... Christie's was only able to secure the sale over their rival Sotheby's by guaranteeing a minimum total of \$650M to the Rockefeller estate (the \$650M is a guarantee on all 1,500+ lots, not just the 44 from last night). Coverage of the sale was a bit mixed, but from what I saw (in the live feed), there was healthy action... the only comment I could make would be at times bidding slowed during some lots, but the prices achieved were pretty solid – I mean, it took more than 12 minutes for the Monet (featured on the catalog cover) to sell... at one point they were taking \$500K increments in the low 60's, but the pace picked back up... it hammered at \$75 million!

In any case, let's get down to it... the top lot of the evening was a work by Picasso from his Rose Period (1904-1906). The work, *Fillette a la Corbeille Fleurie*, depicting a nude figure holding a basket of roses, was originally owned by Gertrude Stein and was then acquired by Rockefeller in 1968 for just under \$1 million. This time around, Christie's expected the work to sell in excess of \$90M, and it certainly did... bidding topped out at \$102M plus premiums, which added a substantial \$13M to the price tag – bringing the final price to \$115M.

The aforementioned Monet, *Nymphes en fleur*, was good for second on the evening. The vibrant canvas was purchased by Rockefeller from Parisian dealer Katia Granoff in 1956 and hung in the stairwell of one of his homes. The work was expected to sell "in the region" of \$50M and far surpassed the mark... as I stated earlier, it made \$75M but with the premium, that bumped the price to \$84.6M which actually set a new auction record for the artist – the previous record was set at \$81.4M in 2016.

Rounding out the top three was Matisse's *Odalisque couchee aux magnolias*; the work hung in the library of their Manhattan residence adjacent to the \$115M Picasso. Prior to last night, the record for Matisse's work at auction was held by *Les coucous, tapis bleu et rose* which was part of the Yves Saint Laurent collection sale in 2009 – that work had sold for €35.9 (\$46.4M) on an estimate of €12-18M... Rockefeller's Matisse garnered a significantly more elevated estimate of \$50-70M and hammered down just above that at \$71.5M (\$80.8M with premiums), which obviously set a new record for the artist's work at auction.

While the sale was essentially all "highlights," there were a handful of other remaining lots that shined a bit brighter than the rest... Most impressively, two works by Gauguin shattered their estimates – *Fleurs dans un vase* was expected to sell between \$5-7M and found a buyer at \$19.4M while *La Vague*, expected to sell for just \$7-10M ended up realizing 31M! Lot number 2 in the sale was Juan Gris's *La table de musicien*, which topped it's \$18-25M estimate at \$31.8M.

On the other hand, there were a few "underperforming" lots... Now, everybody laugh with me as I tell you a \$33M Monet underperformed – it was expected at \$40-60M. Other underperformers included works by Signac, which realized \$13.8M on a \$15-25M estimate and Bonnard, which found a buyer at \$6.6M on a \$10-15M estimate.

Unsurprisingly (as the entire sale was guaranteed), all 44 lots were sold and they more than made up for those “underperforming” lots... presale expectations were in the region of \$490M for the entire sale and they easily exceeded that as the sale brought in \$646M! Looks like the Rockefeller collection has a serious chance of hitting the \$1 billion milestone.

### **When Are Too Many Picasso Paintings Too Much?**

Another round of sales are underway at the big auction houses in New York this week... Sotheby's was first to present their offerings of top-level Impressionist and Modern Art in their evening sale last night; Christie's (and Bonhams) will both hold evening sales tonight, the 15th.

Taking top honors at Sotheby's was the coveted Modigliani, *Nu couché (sur le côté gauche)*, which was expected to sell for an astounding \$150M! The work, executed in 1917, has detailed provenance back to the artist and was acquired by the current owner at Christie's New York in 2003... at that time, he paid just \$26.9M. This time around, the work sold for \$157.2M (including premium) – quite an impressive appreciation albeit a modest 12.5% annual rate of return. That lofty figure was only achieved through an irrevocable bid (guarantee); in turn, it became the most expensive piece ever sold at auction through Sotheby's.

Nothing else in the sale came close to the Modigliani... in a distant second was a vibrant little Picasso painted in 1932. The work, *Le Repos*, was expected to sell for \$25-35M and just eclipsed that mark with the help of the premium at \$36.9 – the buyer was reported as a Private Asian Collector.

Following that was *Matinée sur la Seine* by Monet... personally, I was not a huge fan of the work when I went to view the sale... the 1896 canvas was projected to bring in \$18-25M – the bidding fell just short of that but adding in the buyer's premium bumps the price to \$20.5M.

Other notable lots included a work by Georgia O'Keeffe, which made an impressive \$11.2M on a \$4-6M estimate... and a work on paper by Mary Cassatt that absolutely crushed its \$700K-1M estimate as it topped \$4.5M!

In unusual fashion for an evening sale, there were a handful of unsold lots... 13 in all and some carried fairly hefty estimates – 3 Picassos (\$3-5M, \$6-8M, \$12-18M), Tamara De Lempicka (\$4-6M), Henry Moore (\$4-6M), Monet (\$2-3M) and a handful of others... 13 unsold lots in an evening sale of just 45 works is almost shocking – that works out to 71% sold. Not good.

Aside from the works themselves holding back the sale, we should consider the amount of material coming to the market – when there is an abundance of top-level works buyers can be selective and the result is unsold work... I mean there were 11 Picassos up in this evening sale and another 8 tonight in Christie's evening sale... not to mention the handful that were sold in the Rockefeller sales last week... on top of the high-end art fairs (TEFAF and Frieze) that rolled through New York last week where Picassos and other major works could be found aplenty. There just are not endless buyers at the top end of the market and a high number of unsold works is a bad look for these premier sales.

The 32 works that did sell, yielded a total of \$318.3M – a figure that was certainly within the pre-sale estimate... but only made it there with the help of more than \$40M in buyer's premiums... without that, the sale took in just \$277.5M.

### **The Americans ... We Are Now At \$765M And Still Going!**

Part two of the Rockefeller sale took place last night, and while nearly incomparable to the night prior (part 1), there were still many incredible works up for grabs and some impressive results in the end. Part two featured an offering of 19th and 20th-century American paintings (and one sculpture)...

The top lot here was Willem de Kooning's *Untitled XIX* – a work completed in 1982, towards the end of his painting career (de Kooning's last painting was completed in 1991, and he passed away in 1997 at age 92). The work attracted a number of bidders and saw the price climb to \$12.4M (\$14.2 with premium) after more than 10 minutes of bidding – the work was only expected to bring between \$6-8M.

Not far behind was the most impressive performing lot of the night... a portrait of George Washington by Gilbert Stuart. The work was painted in 1795 and is regarded as the earliest of three important portraits depicting the first *President*, *George Washington (Vaughan type)* – the work found a buyer at \$10 million... with the premium, that bumps the price up to more than \$11.5M – a remarkable result for a work estimated at just \$800K-1.2M, and a record for the artist. The last time a portrait of Washington (Vaughan type) by Stuart was in 2017... the work made just \$1.33M on a \$1.5-2.5M estimate.

Rounding out the top three was a work by Diego Rivera – the painting, commissioned by David Rockefeller's mother Abby Aldrich Rockefeller, was a wedding present to her son and new wife Peggy. The work, featuring a traditional festival scene, hung in the living room of their Maine home for decades before being offered for sale... it realized a price of \$8.4M (\$9.7M with premium – another auction record), surpassing the \$5-7M estimate.

Most of the works here made fairly strong prices and a few of them really outperformed their expected result... that included a Sargent, selling for more than \$9M on a \$3-5M estimate; two paintings by Jamie Wyeth which both more than doubled the high end of the estimate range; and a Thomas Moran which nearly tripled the high end of its estimate range. On the flip side, there were a couple of duds (but they still sold)... a small watercolor by Charles Demuth found a buyer at just \$75K on a \$150-250K estimate, and a Robert Walter Weir only made \$200K on a \$400-600K estimate.

All 41 works offered found buyers and the evening brought in another \$106.8M, adding to the already impressive figure from the night before – in all, the Rockefeller sales have totaled more than \$765M... and we're not even finished yet!

### **Rockefeller – Another Great Buy And Hold Story**

The Rockefeller series of sales are over, and the results were STRONG ... even though they did not hit the \$1 billion whisper number. But can anyone really complain about a sale of household contents that made over \$832 million? If you are complaining, get a life! We watched some of the sales and were continuously amazed at the prices achieved for items that some would say are nothing special. Now here is the most important part, the Rockefeller's bought all the pieces to live with and decorate their homes. They were not buying for investment purposes, just for the joy of owning, using and looking at them. What this collection beautifully illustrates is the power of a buy and hold ... even if your taste runs to the more traditional and you like 'brown' furniture.

Lance covered the two main evening art auctions in previous posts, and those results were robust. The Collection of Peggy and David Rockefeller: 19th and 20th Century Art totaled \$646M, while The Collection of Peggy and David Rockefeller: Art of the Americas added \$106.8M.

Thursday, May 10th, there were three scheduled sales. The first, featuring the 'less expensive' works of art, rocked. To give you an idea of how impressive things were, here are a few results. Henry Moore's *Oval Sculpture* (purchased in 1967) was estimated to bring \$300-\$500K and sold for \$3.97M, Redon's *La barque aux deux femmes blanches* carried a \$500-\$700K estimate and brought \$3.13M (acquired in 1954), and Camille Pissarro's *Félix Pissarro lisant* (acquired in 1952) brought \$3M on a \$900-\$1.2M estimate. In fact, many of the works left their estimates in the dust like Maurice de Vlaminck's *Deux mats devant la côte* (1925), a 15.5 x 18.5 inch work on paper, that carried a \$30-50K estimate and sold for \$312K; Bernard Buffet's *Mouche* (an 11.5 x 14.5 inch painting of a fly from 1952), also estimated at \$30-50K and sold for \$194K; and Dale Chihuly's *A Venetian Vase* (1989) which brought \$52.5K on a \$6-8K estimate. By the end of that session, another \$43 million was added to the tally ... the low end of the estimate range was a measly \$21M.

A selection of English & European Furniture, Ceramics and Decorations followed the art sale ... you know, all that 'brown furniture' that nobody wants ... HA HA! Item, after item, sold very well ... and some made terrific prices. A set of six George III Yew and Elm Armchairs (brown furniture) made \$337K (est. \$50-80K). An English inlaid side table (also brown) was expected to sell between \$5-8K and made a whopping \$300K; and a pair of George II armchairs (oh, I think they were brown as well) shot past their \$15-25K estimate to sell for \$194K. In the end, another \$7.97M was deposited in the coffers. What was most interesting about this sale is that there was so much bidding (a lot of it pretty slow) that it did not end until after 9 pm! Now you might think ok, it ran a little late; however, the Travel and Americana sale (with more than 180 lots) was scheduled to start at 7 pm. That did not happen until about 9:30 pm ... and I wanted to watch some of the items in that sale.

Here again, prices for many items were through the roof. A rare Anhua-Decorated Blue and White Dragon Bowl carried a \$100-150K estimate and sold for \$2.77M; a standard Antonio Jacobsen ship portrait from 1895 made \$27.5K on a \$7-10K estimate; a Whistling Swan decoy by John Haynes Williams brought \$349K (est. \$100-150K); and a Ming-Style Huali Hexagonal Chair from the 20th century (let me stress 20th century) hit \$38K on a \$1-1.5K estimate. By 11:30 pm there were about half-way through and I signed off ... time for me to go to sleep! But there must have been a lot of determined buyers since all the lots sold and added an additional \$11.6M to the kitty.

With the help of a global guarantee of \$650M, they had a white glove sale (100% sold) ... cannot get any better than that! What is going to be really interesting is to see what some of these items (with over-the-top results) bring when they return to the market. I have a feeling that some people are not going to be very happy.

Keep in mind that not all of Rockefeller's collection hit the auction block, a lot was donated. In April, Forbes ran *Inside Late Billionaire David Rockefeller's Will: Picassos, A Beetle Collection And A Maine Island*. It shows that had all of his personal items come up for sale, the \$1 Billion whisper number would not have been a whisper, it would have been a reality. His art collection consisted of some 4500 works and among the recipients of his generosity were:

Museum of Fine Arts in Boston: Vlaminck's *Paysage de Banlieu*  
National Gallery of Art, Washington, D.C.: Pissarro's *Landscape Near Pontoise*  
Portland Museum of Art, Portland, Maine: Wyeth's *River Cove*  
Metropolitan Museum of Art: Manet's *La Brioche*  
Pierpont Morgan Library, New York: Schongauer's *Death of the Virgin*  
MOMA received a huge trove:  
Bonnard's *The Promenade*  
Braque's *The Large Trees, l'Estaque* (1907)  
Cezanne's *Boy in a Red Vest, La Montagne Saint Victoire* and *Still Life with Fruit Dish*  
Derain's *Charing Cross Bridge*  
Dufy's *Le 14 Juillet au Havre*  
Gauguin's *Portrait of Meyer de Haan*  
Matisse's *Interior with a Young Girl* (1905-1906)  
Picasso's *Le Coq* (1938), *Woman and Dog under a Tree* and *The Reservoir, Horta de Ebro* (1909)  
Signac's *Opus 217 ... Portrait of M. Felix Feneon in 1890*.

It is nice to see that these works will now be available for all to see and enjoy!

### **Now We Know When Too Many Picassos Are Too Much**

After Sotheby's uninspiring performance, expectations were a bit tempered heading into Christie's evening sale of Impressionist and Modern works... that feeling would be short-lived as the sale got off to a hot start and kept it going!

The first lot up for sale, a small crayon work by Picasso, was only expected to make \$700K-1M and it more than tripled that number! Just a few lots later, a Miro topped it's \$10-15M estimate at \$21.6M. Not too long after that came the top lot of the night... Though it was projected to come in at number two, Malevich's *Suprematist Composition* garnered \$85.5M on a \$72-80M estimate. The 1916 canvas last sold in 2008 for \$60M... this time around, it set a new auction record for the artist.

Falling to second was the bronze by Brancusi... with a \$70-100M estimate, it was supposed to be the star of the show, but bidding sputtered out and fell short of the estimate at \$63M. Once we add in the premium, it bumps the price up to \$71M, just inside the expected range. The \$71M mark was also good for a new auction record as well, which was set just last year when his work, *La muse endormie*, nearly doubled it's \$20-30M estimate at \$57M. The work in this evening's sale carried a third-party guarantee along with 6 other lots, which helped ensure the sale.

Taking third was Van Gogh's *Vue de l'asile et de la Chapelle Saint-Paul de Mausole* – a work painted while he was being treated for mental illness. Carrying a \$35-55M estimate, the work just made it at \$39.6 with premium. It was last sold in 2012, where the current owner purchased it for just £10.1M.

A few lots were withdrawn, but none more interesting than the two Picassos being offered up by Steve Wynn... both works had third-party guarantees and would have added at least another \$105M to the pot. In any case, it is reported that Christie's actually damaged the more impressive of the two works – the one that was estimated in the region of \$70M! The other work, estimated at \$22-28M was also pulled but for unspecified reasons. I wonder if the fact that about half of the Picassos in the Sotheby's sale failed to find a buyer had anything to do with it? Have they finally oversaturated the upper end of the Picasso market? In any event, I'm sure Mr. Wynn was not too pleased... its been a rough few months for the casino magnate after he was forced to resign from his company amid allegations of sexual assault in February.

The final numbers were pretty solid... of the 37 works that actually made it to the block, 33 sold, good for a sell-through rate of 89% and a total take of \$416M (including premium – the sale only totaled \$362.2M before the premiums were added in). Any way you slice it, they hit their \$326-450M estimate range (is it me or is that one hell of a range?)

Comparatively speaking, this evening's sale saw bidding that was far more evenly dispersed across the lots... Sotheby's total take from the night before was predominantly comprised of the proceeds from the Modigliani (which accounted for approximately half of the sale's total)... At Christie's, the top 3 lots together didn't even account for half

of the sale's total with 37% of the works above the high end of the estimate, 39% falling into the estimate range and 24% below the estimate.

### Contemporary's Upper End Is Still Very Hot!

Is anyone else exhausted by all of this art?? I need a nap. Sotheby's and Christie's are at it again with another set of sales... this time we are talking Contemporary art.

Up first was Sotheby's, and after a not-so-impressive showing earlier this week with their Impressionist & Modern art, I'm sure there was some concern heading into this sale. Taking the top spot of the night was a relatively small work by Pollock – *Number 32, 1949*. The work, which still looked fresh, was included in his one-man show at Betty Parsons Gallery in 1949... it was last acquired in 1983 and has remained in the same private collection since; additionally, it has never been offered at auction. Brandishing the largest estimate in the sale at \$30-40M... the work found a buyer at just over \$34M.

Not far behind was a behemoth... a 2-panel Basquiat that measured more than 12 feet in both dimensions! The work, *Flesh and Spirit*, was completed in 1983 and was acquired through Tony Shafrazi Gallery in New York for \$15K... it has remained in the same collection since that time (it was also at the center of a very recent family legal battle). Expected to sell for \$28-35M, the lot found a buyer right in that range at \$30.7M.

A few million behind the Basquiat was a work by David Hockney. His 1990 canvas, *Pacific Coast Highway and Santa Monica*, was fresh off a world tour as it was included in his retrospective which made appearances at Tate Britain, the Centre Pompidou in Paris followed by the Met in New York. The vibrant work set a new auction record for the artist as it pushed the upper end of its \$20-30M estimate with the winning bid landing at \$28.5M.

The sale held up very well... there were a handful of other well performing lots, including another work by Hockney which made more than \$11M on a \$5-7M estimate (and also set a new auction record for a work on paper by the artist) as well as a large work by Kerry James Marshall which nearly doubled its \$8-12M estimate as it sold for \$21.1M (a record for the artist at auction). Just two lots failed to sell – works by Kusama and Fontana which carried estimates of \$7-10M and \$3-4M, respectively – yielding a 96% sell-through rate. Further, the sale as a whole nearly hit the top end of the presale range as they took in \$284.5M on an expected \$207.7-285.6M.

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

Sotheby's 19th-century sale took place on the morning of the 22nd and when the estimates were in line with the quality and condition, all went well; when they were not, they either sold well below expectations or passed. It's worth noting this sale included four works deaccessioned from the Berkshire Museum – something we've been following closely.

Normally, there are several artists who make it into the top three; however, in this sale, we saw a hat-trick ... Monsieur Bouguereau took them all. *La bourrique* ... one of the Berkshire works ... made \$1.45M (\$1.755M w/c – est. \$2-3M – the estimate seemed to me, and turned out to be, a little robust). This was followed by *Les quatre saisons* (a set of four paintings dating from 1854 and his earliest recorded gold ground decorations) at \$1.05M (\$1.275M w/c – est. \$600-800K). Bringing up the rear was another Berkshire deaccession, *L'agneau nouveau-né* at \$800K (\$975K w/c – est. \$1.5-2M). The two works from the Berkshire Museum were nice examples and in fairly good condition but fell very short of their estimate ranges. I personally believe that the estimate ranges were a little rich and all the controversy surrounding the sale did not help. Rounding out the top five were Alma-Tadema's *Love's Jewelled Fetter* at \$520K (\$639K w/c – est. \$500-700K) and Emile Renouf's *Un coup de main*, which brought \$500K (\$615K w/c – est. \$300-500K).

Among the more coveted items were Giuseppe de Sanctis' *Teodora* at \$220K (\$275K w/c – est. \$100-150K); Bouguereau's small (16 x 13 inch) *Portrait de jeune fille* – \$270K (\$338K w/c – est. \$125-175K); another small Bouguereau (22 x 14 inches) titled *Bohémienne au tambour de Basque* at \$220K (\$275K w/c – est. \$70-90K); von Blaas' *Flirtation* which made \$400K (\$495K w/c – est. \$100-150K); a tiny nude by Munier (14.5 x 7.5 inches) at \$25K (\$31K w/c – est. \$8-12K) and one of the more surprising ... Corot's 13 x 18 inch *La gelée blanche à Auvers-sur-Oise* that hammered down at \$300K (\$375K w/c – est. \$80-120K).

And then there were those lots which failed to find a buyer... these included paintings by Pasini (est. \$700-\$1M ... from the Berkshire); Bouguereau (est. \$600-800K); Godward (est. \$120-180K); Corot (est. \$250-350K) as well as Cordero's *Siesta* (est. \$500-700K – it was last sold in 2014 for \$446K, so not very fresh).

When the session was over, of the 88 works offered, 69 sold (78.4% – which is pretty good) and the total take was \$11.02M (\$13.6M w/c – low end of the estimate range was \$12.97M). So, with the buyer's premium, they made it. When compared to last month's 19th-century sale at Christie's we see that Sotheby's was the clear winner (APPL = average price per lot):

Christie's: 61 lots	43 Sold	70.5% Sell-through rate	\$6.4M w/c	\$148K APPL
Sotheby's: 88 lots	69 Sold	78.4% Sell-through rate	\$13.6M w/c	\$197K APPL

Digging a bit deeper we find that 18 works sold below, 25 within and 26 above their estimate range giving them an accuracy rate of 28.4%. On the surface, that was not as strong as Christie's 31.1%; however, 26 (29.5%) of the works sold above their range while at Christie's just 8 (18.6%) did. So, if you are going to miss that is the way to do it. And in case you are wondering, the top 3 lots accounted for \$3.6M (26.4%) of the sale's total.

As we saw with Christie's sale last month, when we compare Sotheby's May 2017 to 2018 results we see continued improvement:

Number of Lots: 86 (2017) vs. 88 (2018)  
Sell-through rate: 63.9% (2017) vs. 78.4% (2018)  
Accuracy rate: 27.9% (2017) vs. 28.4% (2018)  
Low end of estimate range: \$12.27M (2017) vs. \$12.97M (2018)  
Total take: \$9.4M hammer (2017) vs. \$11.02M (2018)  
Total take with Buyer's Commissions: \$11.62M (2017) vs. \$13.6M (2018)

With all the options available to sellers, we can no longer look to the New York sales for a clear indication of the 19th-century art market's health. For these sales to become the barometer they once were, there is going to have to be a change in the seller's choice and I am not sure we will see that anytime soon. What is clear, is that there is still good competition for the interesting/quality works and that is a positive sign.

I mentioned earlier that there were a few works from the Berkshire Museum in this sale – two by Bouguereau, one by Daubigny and one by Pasini. The combined presale estimate range for the works was \$4.27-\$6.1M and the total hammer price was just \$2.31M (the Pasini did not sell) ... well short of expectations. Sorry, Berkshire ... bad move!

### **The Americans Take Center Stage In New York**

Last week, we saw both Sotheby's and Christie's take their shot at the American Art market with sales in their New York bases. After seemingly endless sales from the weeks prior, expectations were mixed... and the results were modest at best.

Christie's was up first and leading the way, as expected, was Georgia O'Keeffe's *Hibiscus*. Painted in 1939, it came in with the highest estimate of the evening at \$4-6M and hit the middle of the range with the help of the buyer's premium... the work realized \$4.8M (\$4M hammer). Behind that was one of the top performing lots of the evening... Milton Avery's *Red Nude* more than doubled its \$1-1.5M estimate as it found a buyer at \$3.01M. Rounding out the top three was Norman Rockwell's *Piano Tuner*, which was actually a bit of a disappointment at \$2.7M – Christie's had expected the work to bring between \$3-5M... it fell well short of that range when you consider the \$2.7M included the buyer's premium, putting the hammer price at \$2.3M. In the end, the sale totaled \$32.8M while selling 82% of the material offered... I wish I could tell you how that compared to the overall estimate range, but Christie's is a difficult nut to crack sometimes (I tried to figure it out myself, but Christie's pulls the unsold work from their website once the sale wraps up).

I am always wary when an auction house is evasive over the final results – the only press release they issued was lumped in with the Art of the Americas evening sale (Rockefeller collection from weeks prior), which certainly inflated the look of things as the headline boasted \$141M for the "Spring Season of American Art." All that said, I can't imagine things were too good... when anything good happens they shout it from the rooftops.

(update: After writing my report, I was finally granted approval for them to release the presale estimate to me... Yay! It was \$26.7-41.3M, so the \$32.8M was towards the middle of that range... and again, remember the estimate range does not include buyer's premium and the above-stated total does – I've always found that to be a misleading way to report this but hey, what can you do?)

The following day, Sotheby's had their chance... they offered up a bulky 120 lot sale and the results showed that no one wanted the "fluff." Easily taking the top spot was Rockwell's *Blacksmith's Boy – Heel and Toe*, which sold for more than \$8.1M (\$7M hammer) on a \$7-10M estimate. It's just one of the dozen-plus works that were being sold by the Berkshire Museum, which has caused a national controversy in recent months over museums deaccessioning donated pieces. In fact, this even brought about a small protest outside the auction house the morning of the sale! We can only speculate the impact this may have had on the final results... that said, only 3 of the 4 works from the museum in this sale found buyers, leaving Frederic Edwin Church's majestic *Valley of Santa Isabel, New Granada* unsold (est. \$5-7M) – that is the second failure from the museum's 13 works that have been offered so far (it's also worth noting that many of the ones that did sell, underperformed based on the auction house estimates... and yes, after the sale Sotheby's was able to negotiate a private sale of the Church to the Pennsylvania Academy of Fine Arts for an undisclosed sum).

Getting back to the matter at hand, works by NC Wyeth and Rockwell rounded out the top three as they both far surpassed their estimates... Wyeth's *Portrait of a Farmer* sold to an American collector for just shy of \$6M (est. \$2.5-3.5M) and Rockwell's *Boy Playing Flute Surrounded by Animals* went to an anonymous buyer for a bit over \$4M (est. \$1.5-2.5M). At the end of the evening, they moved 80 of the 120 lots (66.67%) for a total of \$43.3M... they were expecting between \$40-60M, so they really needed the buyer's premium to make it into the range.

At a quick glance, it looks like Christie's had the better sale... they sold a higher percentage of the material, leaving just 15 unsold works compared to Sotheby's 40 ... and they landed pretty close to the middle of the estimate range for the sale as a whole. But for a more accurate comparison of how the sold lots performed, we can look at the average price per lot sold ... that would be about \$475K at Christie's vs. \$541K at Sotheby's. In addition, if we remove the unsold works from the equation we find that Christie's presale estimate comes in at \$23.12-\$35.88M with a total of \$32.8M vs. Sotheby's at \$27.6-\$42.1M and a total of \$43.3M. So, while the sale totals when compared to the overall estimate ranges give one impression, a deeper look at the results paint a slightly different picture.