

# COMMENTS ON THE ART MARKET

## VOLUME 110

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### Kenneth Noland

I felt it was important to note the passing of Kenneth Noland, age 85, one of the major 20<sup>th</sup> century Color Field artists. He, along with Rothko, Motherwell, Still, Newman and others, pioneered this major movement in the history of art. While Color Field art is not typically what our gallery handles, many years ago we did have the pleasure of selling one of his elliptical targets, *Quiet Night* (1963), to the Greenville County Museum of Art.

### A Quickie on the Stock Market Action

From my perspective, it is so sad that today the biggest action in the market is betting on whether it will go up or down. What happened to the good old days when you invested because you thought a company had a good business model and was going to make money in the long run? The volatility in the market --- even in these calmer times --- is still more than most people want to deal with.

And what has happened to all the stock market ‘experts’? It now appears that all we have are commentators --- much like those who cover sporting events. And let’s face it, the stock market can have as much action as a good boxing match. These commentators not only give us blow-by-blow descriptions of the volatility; but watching the ticker can make a normal investor sick. I even heard one commentator wonder whether the fact that the NY Jets lost their game would have an impact on the market ... are you kidding!? Do they really believe that the market is controlled by a bunch of Jets fans? I sure hope not, because with their overall record it would not be a pretty site!

As of January 29<sup>th</sup> the Dow was at 10,067, down from its 10,600 plus close in the middle of the month; and my personal portfolio is in the red right by about 2%. In addition, some of my favorite stocks (those I am invested in) seem to be in limbo – RIMM was at \$62.91; Citi is hovering at \$3.32; BofA \$15.18; McD \$62.43; Pfizer \$18.66 and GE \$16.08. Am I worried? Not a chance. Why? Because I am one of those crazy, old school, investors ... in it for the long run.

### Tales from the Dark Side – New & Follow-up

Tatiana Khan, a West Hollywood, CA, antiques dealer, was charged with selling a bogus Picasso for \$2 million. She informed a potential buyer that the pastel was worth \$5 million and could be bought at a bargain price ... so they bit. From the reports it appears that Ms. Khan pocketed a hefty profit after paying Maria A. Cruz, an artist, to paint the work. It will be interesting to see how this one plays out.

Michael Zabrin, of Northbrook, Illinois, pleaded guilty to swindling more than \$1 million from some 250 people by selling counterfeit prints. Zabrin paid \$1000-\$1500 for each work and sold them for many times that amount; conducting 280 sales of fraudulent art on eBay through his companies, Fineartmasters and ZFineartmasters. If customers realized the works were no good he took them back, waited a few months and then sold them again. Sentencing will take place in March – he could get more than 10 years in jail.

Back in October (Volume 106) I reported on Marcus Patmon’s (Miami, FL) foray into the dark side of the art world – selling stolen works of art. Well, this month he was sentenced to 23 months in prison and ordered to pay restitution. Will he learn his lesson? Only time will tell.

## Spanning the Globe

Before we get to the Art Action I thought it would be fun to cover some of the 'other' action that has taken place of the past few months ... here is just a small sample:

### Collectibles

Sports Memorabilia – still a hot commodity and in the final months of 2009 we saw some home runs. At a sale in Kentucky, Jackie Robinson's 1948 Brooklyn Dodgers game-used jersey brought in \$373,750; while a matching 1948 game jersey from Pee Wee Reese made \$28,750 – what a difference a name makes! Curt Flood's 1964 St. Louis Cardinals World Series ring made \$24,150 while a baseball signed to Curt Flood from Rosa Parks scored well at \$11,500 ... Flood is best remembered for his legal challenge to baseball's reverse clause, which paved the way for free agency. At a sale in Illinois, Frank Chance's 1911-12 game worn jersey made \$62,213; while Lou Brock's 1967 St. Louis Cardinals World Championship ring made \$65,175 (guess Brock is a better name than Flood). There was also an original Curt Flood painting of Lou Brock that was offered and sold for \$10,073. In addition, a 1911 T208 Cullivan's Fireside Eddie Plank baseball card sold for an auction record \$62,213.

Advertising – there was a sale in Illinois that made me take note. Over the years we have all seen those old gasoline advertising signs hanging in gas stations or restaurants. Well, I for one never realized they have some real value. At a sale in Illinois a number of these items appeared including: a Gasoline Motor Oil (Red Indian) 60 inch porcelain sign that sold for \$5,500; a 42 inch Oldsmobile Service sign made \$5,170; a Hancock "Cock o' the Walk" sign made \$7,979 and a 15 inch Marine Gasoline single lens in metal globe made the top price of \$10,450. So next time you are in some out-of-the-way antique shop, don't forget to pay attention to those old signs hanging in the corners.

Film and Music – a few sales which covered these specialties popped up and among the more interesting results were Boris Karloff's costume for *The Black Cat* (1934) and Anne Revere's 1945 Academy Award – each bringing in \$89,625; while the handwritten lyrics by Michael Jackson for his song Little Susie and a promotional display posted for The Beatles' Second Album each made \$9,560.

Politics - Jack Ruby's fedora, the one he wore when he shot Lee Harvey Oswald, brought in \$53,775; while a November 22, 1963 edition of the Dallas Morning News, signed by Kennedy (possibly his last signature), made \$38,837.

### Time and Money

As we have seen in the past, the right timepiece will bring outstanding returns ... and here are just a few of the highlights. From what I can determine, when the Patek Philippe Calibre 89 reached a final price of \$5.03 million, it became the most expensive watch sold at auction in 2009 – now I will add that this same watch was sold back in 1989 for \$4.86 million, not a great return but at least it was not a loss (unless you factor in the auction's commissions)! After that, we come back to more 'realistic' levels; of course, that all depends on your point of reference. A Patek Philippe (Ref 3990) Genève, astronomic, water-resistant, platinum and diamond watch made \$306,000 while a 1959 Ref 1463 fetched \$270,000 and a Ref 5102 "Celestial" brought \$224,000. A gold Ref 6100 Rolex, made in 1952, brought \$283,000 and an Omega "Neptune's Chariot" took in \$64,894. And not to be outdone, even some coins still have their merits --- this past month a rare 1913 Liberty Head Nickel (only 5 known to exist) sold for \$3.7 million. This same piece has traded hands many times ... in 1978 it sold for \$200,000 and crossed the million-dollar mark in 2003. Just goes to show that owning US currency isn't all that bad.

### Reading is Fundamental and Profitable

Those Dusty Old Books -- Taking top honors in the category was Samuel De Champlain's 1613 travel book *Les Voyages de Sieur De Champlain Xaintongeois...* which brought \$758,000. Marc Chagall's *Bible*, a two-volume set containing 150 etchings, *hors-texte*, from 1959 made \$108,000 while Picasso's *Verve 29/30*, *Picasso and the Human Comedy*, *A suite of 180 drawings by Picasso*, and a separate set of 15 signed lithos, made \$66,000. A set of four first edition dust-jacketed Winnie the Pooh books (signed by A.A. Milne) sold for \$23,900; a 1997 signed first edition J.K. Rowling *Harry Potter and the Philosopher's*

Stone made \$5,975; a 1900 copy of L. Frank Baum's *The Wizard of Oz* made \$5,078 and two first edition Dr. Seuss books brought \$2,868 ... better check those book shelves.

And here is one of those: why wasn't I there stories. At a small Virginia estate sale someone purchased a box of 10 books for \$10. Tucked inside one of the books was an 1827 map of the State of Virginia. The new owner placed the map up for sale and it brought \$23,400 ... see, reading can be very profitable!

## The Art Market

The 2010 season has begun and out of the starting gate were the New York Old Master / 19<sup>th</sup> century auctions. For their big sales, Sotheby's stuck to the old formula of offering only Old Master paintings; however Christie's continued with their new formula – a merger of Old Master & 19<sup>th</sup> century works.

Christie's is determined to prove that they made a good move by combining the two departments, but you already know my thoughts on this --- I do not like it; and from the results, many others seem to agree.

Granted, financially they made a good move – less staff, means less overhead and more profit – and they did use typical 19<sup>th</sup> century works for most of their cover illustrations --- Christie's claimed the main cover was also a 19<sup>th</sup> century work and they are right when looking at its date (1812), but Louis Boilly paintings are normally sold in Old Master sales – so I counted it as an Old Master. However, the real issue lies in the fact that most of the heavily religious Old Master works just do not look good next to the more romantic/sentimental 19<sup>th</sup> and 20<sup>th</sup> century paintings. Look, Dorothea Sharp, Montague Dawson, Sorbi and Seago do not hang well next to those by Giovanni Battista Gaulli, Nicolas de Largillierre and Giovanni Pietro Rizzoli; at least in my humble opinion.

I have to add that Sotheby's also had an Old Master/19<sup>th</sup> Century sale that week, but it consists of the less expensive works and the first half of the catalog only offered Old Masters while the second half was devoted to the 19<sup>th</sup> century ... that is something I can deal with – one book, 2 sections.

Anyway, let's move on to the action at Christie's.

The breakdown of the sale was as follows: 331 lots with 199 (58%) Old Masters and 139 (42%) 19<sup>th</sup> Century. Christie's claimed 205 Old Master (62%) and 126 19<sup>th</sup> Century (38%), but since this is my article I will include those artists who are normally sold in 19<sup>th</sup> century sales; and anyway, what is a couple of artists between friends? On second thought, I hope this is not a new trend ... start siphoning off the best 19<sup>th</sup> century artists and move them to the Old Master classification; thereby leaving no important artists in 19<sup>th</sup> century in the hopes that it may just disappear!!! Hummm ... maybe I should leave that conspiracy theory to someone else.

I am going to limit most of my comments to the 19th century paintings since I know very little about the Old Masters. After initially reviewing the catalog I was troubled by the number of 19<sup>th</sup> century sporting paintings – a market that is not one of the strongest. There were 43 works in all (31% of the 19<sup>th</sup> Century works) and of those, 19 were by Alfred Munnings – talk about too much of a good thing – it was going to take a great deal of work to move 19 Munnings with a combined estimate range of \$4 -\$6.2M (about ½ of the afternoon session's expected 19<sup>th</sup> century take). In addition there were about 11 Orientalist pieces and the balance, 85, were the typical mix – Corot, Bouguereau, Sorbi, Grimshaw, and a bunch of mid-range works; still shows they are having a very difficult time sourcing good material.

The Morning session featured only 58 works (I guess this was instead of an Evening sale) -- 46 Old Masters and 12 from the 19<sup>th</sup> century (a 64 / 34 split); slightly better than the 90 / 10 split we saw in their recent London Evening sale (keep in mind that I am not including the Boilly work in my 19<sup>th</sup> century figures). From this session's 19<sup>th</sup> century works 7 sold and 5 were returned to their owners for a sell-through rate of 58% and a total take of \$2.8M (hammer) – a complete disaster since they expected \$7.12M - \$10.48M for them.

Placing your hopes on some very difficult paintings is not the best move these days. Among the biggest disappointments (unsold) were Palmer's *The Sleeping Shepherd* (est. \$2.5-\$3.5M); Corot's rather dark and unattractive *The Evening Star* (est. \$1.2 - \$1.8M) and Bouguereau's late *Amour voltigeant sur les eaux* (est. \$500-\$700,000) – now before you say: What, a large Bouguereau did not sell? Keep in mind, that images of naked boys are not among his most highly sought after subjects. On the bright side, there were a few strong prices: Louis Boilly's café scene at \$4M (bought by the Getty); Gandolfi's *Diana and*

*Callisto* at \$3.6M and Brueghel II's Noah's ark at \$2.5M – and if you have not guessed, they were all Old Master works. But even these strong prices could not erase the fact that only 31 works sold, producing a sell-through rate of just 53.4% for the morning session.

The afternoon sale (which consisted of far too many lots) started at 2:00 pm and by 4:21 they were only up to lot 228 ... leaving another 146 to go. It is important to note that these sales usually end by 4:30 and at the rate they were going, I figured the sale was going to end at 6:30 pm ... and it did!

Well, as I predicted, the sale of 19 Munnings was going to be a tough one ... only 12 found buyers for a sell-through rate of 63% and a total take of \$2.63M (hammer) – far below their \$4-\$6.2M estimate. Why couldn't they have spread these paintings out over 2 or 3 sales both here and in London? I am sure the results would have been far better and the sellers much happier.

Once the dinner bell rang (I was eating dinner by the time the sale was over) the results for the afternoon's 19<sup>th</sup> century works spoke volumes about the never-ending sale. Of the 127 works offered 78 sold and 49 were bought-in for a sell-through rate of about 61% and a total take of \$5.95M (hammer) – also well below their expected \$8.7 - \$12.7M presale estimate. And when added together, the 19<sup>th</sup> century works from the two sessions brought in about \$8.8M --- the expected range was \$16 - \$23M; not very impressive.

I will continue preaching this until they listen ... without good material, your results are going to be disappointing; and trying to hide the fact that you cannot source enough really good material by combining the less than stellar 19<sup>th</sup> century works with the Old Masters is not going to change this fact. Small, stronger, individual sales are the way to go ... and if you cannot find enough art to create a good sale, then do not have one! And another word of advice, do not flood the market with any single artist's work – quality, rather than quantity, is the message.

And in case you are wondering, the sale's total results were as follows: 331 works offered, 215 sold (a sell-through rate of 65%) and a total take of \$39.5M (with the auction's commission), well below their prediction of at least \$48M (without their commission).

One final note ... I did mention that Sotheby's stuck to the old formula of only offering Old Master works in their main sale and it proved very successful. Many of their top lots sold: Van Dyck's *Two Studies of a Bearded Man* (est. \$5-\$7M) took the number one slot when it made \$7.25M; coming in second was Goltzius's recently restituted *Jupiter & Antiope* brought \$6.8M (it actually carried the highest estimate in the sale of \$8-\$12M) and in third place was Zurbarán's *St. Dorothy* which made \$4.23M (est. \$3-\$4M). Combined, these top three lots brought in \$18.28M; close to half of what Christie's entire sale made (and theirs included 139 19<sup>th</sup> century works). It is also important to note that Sotheby's sale consisted of just 200 works. Of those, 147 sold (a 73.5% sell-through rate) with a total take of \$61.5M. Goes to show, it really is quality over quantity that wins the day.

Howard L. Rehs

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**Gallery Updates:** We will be exhibiting at the American International Fine Art Fair (Feb. 3-8, 2010) and at the Palm Beach Jewelry, Art & Antiques Show (Feb 13-16, 2010). Both shows are at the Palm Beach Convention Center, Palm Beach, Florida.

**Web Site Updates:** Works by the following artists have made their way through the site: Charles Daubigny, Henri Harpignies, Edouard Cortès, Louis Aston Knight, Antoine Blanchard and George Clare. Two new works are featured below:

## TRADITIONAL

Pierre Edouard Frere (1819 – 1886)  
*The Call to Arms* (1862)  
26 x 32 inches



## CONTEMPORARY

Barry Oretsky (Born 1946)  
*Cap-d'Antibes* (1993)  
30 x 40 inches



**Next Month:** More Art Market coverage.