

COMMENTS ON THE ART MARKET

VOLUME 182

Rehs Galleries, Inc.
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First I must apologize for the lateness of this newsletter ... not only is there so much going on in the gallery but this year's LA Show landed at the end of the month – a week later than usual. We actually had to rearrange our trip to Palm Beach & Naples in order to get things ready for those shows and finish up this newsletter.

Upcoming Shows

February is here and we are heading to the Palm Beach and Naples shows. For those of you who will be in Florida and would like to visit us, please use the complimentary ticket links on our web site.

We plan on having some interesting works on display ... a number that have yet to be featured on our web site!

Stocks

By: Howard

I am sure that most of us would rather not think about our stocks right now ... it seems as though we are back to those crazy rollercoaster, Dramamine filled, days of 2008 and 2011. Well, I really hope not! Now I did check my stocks on the last day of the month, just so I could write this article ... and the numbers were not very pretty. On the bright side, gold was up to \$1,118 (closed last month at \$1,060.90) and oil traveled back over the \$33 mark (it hit the \$27 range just a couple of weeks earlier). On the bright side, I just saw an article stating that oil could rise 50% by the end of the year – when will these Bozos stop? We do not need ridiculous price swings which seem to be based on B.S. Why don't they just come up with a fair price for a barrel of oil and get all the speculators out of the market? Oh, I know – because people want to make money!! Sorry for that little rant – let's get on with the real important news ... my stocks:

In case you do not remember we closed out 2015 at 17,425 and proceeded to finish this month at 16,466 (ouch). Even worse, we hit 15,766 on January 20th. As for my favorites, here are the dreadful numbers: JP Morgan (\$59.50 – down 10.65%), Exxon (\$77.85 – down 0.33%), GE (\$29.10 – down 6.28%), AT&T (\$36.06 – up 3.80%), Verizon (\$49.97 – down 6.84%), Wal-Mart (\$66.36 – down 7.59%), Coke (\$42.92 – down 1.49%), DuPont (\$52.76 – down 21.64%), Merck (\$50.67 – down 4.85%), Disney (\$95.82 – down 9.89%), Citi (\$42.58 – down 18.59%), Intel (\$31.02 – down 11.35%) and Bristol-Myers (\$62.16 – down 10.59%). Sadly, this was one down-er month.

Tales from the Dark Side

By: Alyssa

Yiwei Zheng – owner and operator of Crouching Dragon Antiques of St. Cloud, Minnesota filed a suit against the auction house, Manatee Galleries of Bradenton, FL, and its owners, Adrienne Falconer and Edward Goldsmith. According to the case, Zheng consigned 31 antiques in late 2014 and all but four were sold in February 2015. Since then, Zheng claims he never received payment for the sold lots (\$16,800) or the return of the four unsold lots (worth \$4,800, \$200, \$200 and \$150.) According to the Maine Antiques Digest, Crouching Dragon Antiques is charging a long list of accusations against the defendants which include, but does not end with: racketeering, conspiracy, civil conspiracy, unjust enrichment, breach of contract, negligent bailment, conversion, fraud, negligence and breach of fiduciary

duty. Zheng is personally seeking damages of \$22,150 (with interest), return of the unsold items, treble damages, attorney fees and legal costs. To make matters a little more difficult it seems that Manatee Galleries has closed its doors and Florida officials state that both the auction house's license and Goldsmith's auctioneer license have expired; Falconer never had one.

Now, after digging a little deeper, here is a very interesting twist: The Star Tribune recently reported that a St. Cloud State University philosophy professor pleaded guilty last month to two of the six counts he was indicted for. Between 2006 and 2011 he smuggled elephant ivory and illegally exported rhinoceros horns from the U.S to China worth an estimate of \$1.5 million. Who is this professor? Yiwei Zheng. With that said, I am not sure how the case against Manatee Galleries will continue since Zheng is to be sentenced on May 9th in U.S. District Court in Minneapolis and is facing up to 10 years in prison and a fine of half a million dollars. Gotta love the Dark Side!

Last September I wrote the following story:

Theft of two N.C. Wyeth paintings - two years ago one of the largest property thefts in Portland, MA, occurred when six paintings were taken from Joe Soley's apartment. Since then, four have been recovered and the FBI has posted a \$20,000 reward for any information leading to the recovery of the other two works. Both paintings, valued at over \$1 million apiece, are by N.C. Wyeth. Since the 2013 heist, three men have been arrested: Oscar Leroy Roberts, who received 28 months in federal prison after he was picked up for attempting to use the four recovered works to secure a \$100,000 loan at a Beverly Hills pawn shop; Lawrence Estrella, 65, received seven years and eight months in prison after he was pulled over for a traffic stop with the paintings in his car and later arrested at a hotel in North Carolina for interstate transportation of stolen property and Dean Coroniti, 55, who plead guilty to possession of stolen property in March and has yet to be sentenced.

.... Since, the two N.C. Wyeth paintings titled *The Encounter on Freshwater Cliff* and *Go Dutton and That Right Speedily* that still remained missing were recovered when a third party surrendered the works to retired FBI agent, Jim Siracusa. While the investigation still remains active, no reward money has been requested nor have any additional arrest been made. Fortunately, the paintings were found in good condition with their original frames and now, all six recovered works are on view at the Portland Museum of Art in an exhibition: *The Great N.C. Wyeth Caper: Paintings by America's Storyteller*.

Several travelers - passing through Rome's Fiumicino Airport, found themselves in the middle of an in-house swindling scandal. According to reports, a network of cleaning staff and ground crew employees used the Italian regulation that 'all oversized baggage must be brought to collection points' in order to steal several works of art. The airport employees convinced the travelers of their good intentions to transport their items to the collection points; however, the works were quickly stashed in secure hiding places to be sold on the black market. Once authorities were alerted, several works were found in the possession of airport cleaners and investigators are currently working on returning these items to their rightful owners. Two of the recovered paintings are by contemporary artists Ugo Attardi and Renato Guttuso, worth a total of €50,000.

A quarter-million dollars' worth of art – is missing after the trailer they were stored in disappeared from the Los Angeles streets. According to the LA Times, artworks by Matisse, Chagall, Miro, Haring and Nieman were kept in the trailer due to lack of warehouse spacing. A Crime Alert from the LA Police states that crystals, antiques and rugs were also being stored in the trailer....

It seems the owner's idea that "hiding-in-plain-sight" would be a good move didn't work out. If you have information regarding the stolen trailer (filled with works by some pretty noteworthy artists) call the art theft investigators at 213-486-6940.

Really!
By: Amy

First I will start off with an apology; I misinterpreted an article about Janis Joplin's Porsche that sold for \$1.76M. I stated that this was the most expensive Porsche sold at auction, when I should have said that it was the most expensive Porsche 356C. A big Thank You goes out to an avid reader and car aficionado, let's call him E.F., he wrote the following and is absolutely correct:

I continue to enjoy your (and your family) "Comments on the Art Market", especially when you mention my first passion; automobiles, and Porsches in particular.

I note Amy's comment on the Janis Joplin Porsche "So now the car was offered with a replica paint job and estimated to bring \$400-600,000 - it sold for \$1.76M ... and auction record for any Porsche sold at a public auction!"

To my understanding this would not be strictly true. Obviously, \$1.76M is a lot of money for a car (even a classic Porsche with a famous owner), however it is a long way from the "auction record for any Porsche sold at a public auction".

Here are examples he noted:

August 18, 2012 1972 Porsche 917/10 Mecum Auctions Monterey, California, USA US\$5,830,000

August 21, 2015 1960 Porsche RS60 718-044 Gooding & Company Pebble Beach, California, USA US\$5,400,000

Ex-McQueen Porsche 930 sold for \$1,950,000 in August of 2015.

So, I stand corrected and will be staying away from cars for a while ☺.

Now onto this month's collectable news: A majolica footed dish that was attributed to the "Painter of the Apollo Basin", sold for \$367K far exceeding its estimate of \$43-57K. This 16th century artisan was from Urbino, Italy and his/her works are found in some of the world's finest institutions, such as the Victoria and Albert Museum and The British Museum. This painter was identified and given this name by J.V.G Mallet, a specialist on 16th century Italian Majolica, and was named after a piece titled The Apollo Basin, dated 1532, currently at the Pesaro Museum in Italy.

At a recent sale of consisting of 23 stoneware works created by the 19th century ceramics company, RW Martin & Brothers, a caricature of British Prime Minister Benjamin Disraeli, sold for \$233K (est. \$100-150K), setting a record for their outrageous ceramic bird sculptures. The Martin Brothers were known for creating "grotesque" bird tobacco jars, mugs and jugs; this covered tobacco jar from 1889 characterized Disraeli as a fantastical raptor, with a wise and knowing gaze on his face. All 23 pieces came from one collection and all sold. Really!

A large granite sculpture dating back to around 1403 – 1365 BC of Sekhmet, the ancient Egyptian goddess of war and protector of the king, sold for \$4.1M (est. \$3-5M). This 82 ½" high sculpture is likely to have been one of 600 images of Sekhmet that adorned the courts and passageways of the great temple of Amenhotep III that was built in honor of the goddess Mut (the mother goddess) at Thebes. Some of the statues still stand among the ruins of the temple. Additionally, this statue was once part of John Lennon's collection and more recently part of the Alfred Taubman collection.

My favorite collectible this month was a 1894-S dime that was purchased by an anonymous collector who bid online for this very rare and exceptional coin. In 1894, the San Francisco mint struck just 24 Berber dimes of which there are only 8 or 9 known to collectors today. The one that just sold is the finest survivor that has been certified. Now here's the best part, it is believed that there must be several more of these dimes in circulation and one auction room is offering a reward to anyone who might have a previously unreported example of the coin. They are offering to pay \$10,000 just to be the first to examine and certify it as a previously unknown example of the 1894-S dime...so my suggestion, check out every dime you find...I know I will, and I find a lot of dimes; but that's a story for another day! Really!!

The Art Market

The LA Art Show 2016

By: Lance

It has become a sort of tradition of ours at Rehs Galleries to start our show year off with the LA Art Show, now our 21st consecutive year participating. With that, the show has seen a tremendous amount of growth since its inception, where the inaugural show saw just 14 participating galleries with about 300 attendees through the weekend. Quite a dramatic difference from the 130 international galleries that

transform the 150,000 square foot exhibition space at the LA Convention Center into the “West Coast’s most comprehensive art experience.”

This year’s edition clearly had a new focus on Modern & Contemporary art... Record attendance was reported, showing figures of over 65,000 visitors through the weekend, with 100% of the opening night proceeds going to benefit St. Jude Children’s Hospital. The Los Angeles Fine Art Show, a newly formed sister show featuring Historic and Traditional Contemporary art, also saw crowds of people signaling a sincere appreciation for historical works of art even in the more contemporary markets.

Between the two shows, the eclectic offering provided anything and everything from 19th Century masterpieces and fine jewelry to giant teddy bears and performance art in the likes of Millie Brown’s “Wilting Point” where she laid in a bed of flowers for 5 straight days (if you’re into that sort of thing).

Los Angeles itself has evolved over the past two decades, growing from a city with serious collectors into a thriving artistic community. From Venice Beach to Downtown LA, art and artists can be found everywhere; southern California is a creative hotbed. With such a presence, much of my time was spent warding off artists seeking representation but we managed to make a few sales through the onslaught. A few of our artists even got some love in the media... Hi-Fructose featured the work of Julie Bell, David Palumbo and Tony South and The Huffington Post recognized James Neil Hollingsworth for his Best Use of Too Much Detail, Julie Bell for her Wilder Wildlife and Tony South as a Notable Hyperrealist.

It was a pretty wild weekend but it was incredible to see all of the amazing artwork and meet so many interesting people. Even though the year just started, I can’t wait to see what LA has to offer next year!

Old Masters

By: Howard

Well, 2016 kicked off with a series of Old Master sales in New York and this was another example of the “good” selling and the “stuff” languishing.

Before we get on with the specifics I need to point out that most of the percentages used are from our own calculations ... there was only one post-sale result press release – usually not a very good sign. Anyway, first up was the final Taubman sale – this one featuring Old Masters (and this was the only sale with a post-sale tally). Taking the top spot was Boulogne’s *The Crowning with Thorns* which soared past its \$1.5-\$2M estimate to sell for \$5.2M (impressive) and in second we had a tie: Gainsborough’s *The Blue Page* (est. \$3-\$4M) and Raphael’s *Portrait of Valerio Belli* (not a very inspiring work) both selling for \$3.25M. Combined, those 3 lots made \$11.68M and accounted for a little more than 48% of the sale’s total ... \$24.13M. The top ten totaled \$20.53M (85% of the sale’s total) and of the 67 works offered, 50 sold (74.6% sell-through rate – not really that bad when you think about it). I am sure the auction room was pleased that after all the sales, they came close to covering the \$515M guarantee.

The next morning saw their Master Drawings sale and the top lot here was a Tiepolo at \$970K (\$600-\$800K). In second was a William Blake at \$322K (est. \$200-\$300K) and in third was a Turner at \$292K (est. \$250-\$350K). Of the 150 works offered, 93 sold (62%) and the total take was \$4.86M -- if my calculations are correct, they were expecting at least \$3.7M ... so that one seemed ok as well.

That afternoon featured a sale titled *The Road to Rome: Property from a Distinguished Italian Private Collection, Part I*. There were 33 works offered and 28 sold (84.8%) -- total take was \$6.57M (low end of the pre-sale estimate range was \$6.25M). Again, not too bad and the top sellers were a Vanvitelli at \$1.57M (est. \$1.5-\$2M) a Batoni at \$550K (\$300-\$400K) and a Caffi (a 19th century artist) at a pretty impressive \$460K (est. \$150-\$200K).

That evening was the Master Paintings Evening Sale and all eyes were on Gentileschi’s *Danae*. All sorts of predictions were flying around; but as we all know nobody has a crystal ball and when the bidding was done, the painting sold to the J. Paul Getty Museum for \$30.5M (est. \$25-\$35M). Taking second place was Jordaens’ *Saint Martin Healing the Possessed Man* at \$4.73M (est. \$4-\$6M) and in third was Saenredam’s *The Town Hall at Haarlem...* - \$3.01M (est. \$2.5-\$3.5M). When the sale was over, of the 61 works offered, 32 sold (52.5% - ouch) and the total take was \$53.47M (low end of the estimate range was \$58.06M – so they missed that one). What is interesting to note is that the Gentileschi accounted for

57% of the sale's total and the top three accounted for 71.5% of the sale ... that was not a very strong showing.

Yes, the Old Master action continued with 2 more Day sales that added another \$8.49M to the week's total of \$97.5M (or the price of one nice Picasso). Now according to the saleroom's press release, that was their highest total for this series of sales in the past 5 years – ok, if you say so. But here is the real question: is \$97.5M something to pooh-pooh? To me, that is a great deal of money for sales that featured only one rare gem and a few other interesting works.

All I can tell you is that this is just the beginning of a very long year and the health of the art market needs to be judged not only on the overall sale results, but more importantly on the quality of the works being offered. If the really good works do not appear on the auction block, the salerooms are going to have a tough time matching previous results. There are plenty of buyers out there, the question is – are there enough sellers willing to part with the good works to make those buyers dig deep?

The Rehs Family

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Gallery Updates: As mentioned earlier, we will be exhibiting in Palm Beach and Naples this month.

Web Site Updates: We are pleased to mention that works by Dupre, van den Eycken, Marias-Milton, Hollingsworth, Koepfel, Salaz, Palumbo (2), by Dunkel (2), Mark Daly (4) and Mastromatteo (10) made their way through the gallery this month. In addition, below is a small selection of the recent additions:

TRADITIONAL



John F. Herring, Jr.
Farmyard Friends



Edouard Cortes
Place de la Republique



Antoine Blanchard
Le Moulin Rouge a Montmartre

CONTEMPORARY



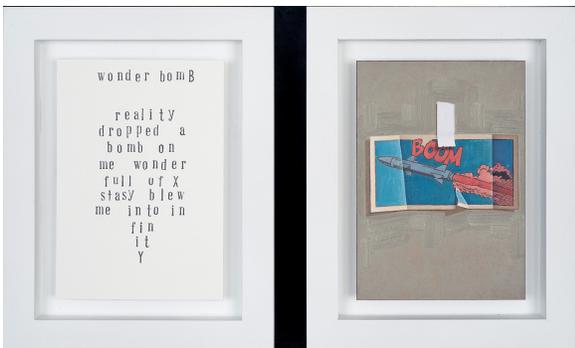
Anthony Mastromatteo
Benadryl Caplet



Anthony Mastromatteo
Wednesday, September 24, 1997



James N. Hollingsworth
B-25



Anthony Mastromatteo
Wonder bomb



Anthony Mastromatteo
Model



Ken Salaz
Sunset Looking South to NYC



Ken Salaz
Sunset, Palm Beach



Todd Casey
Sapphire and Tonic



Mark Daly
High Tide, Naples



Mark Daly
Striped Umbrellas

Next Month: There will be some action in the public forum.