

COMMENTS ON THE ART MARKET VOLUME 206

Rehs Galleries, Inc.
Rehs Contemporary Galleries, Inc.
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Gallery Hours

Due to the timing of our February shows, the gallery will be closed from February 19th – 21st. We apologize in advance for any inconvenience this may cause.

Our Website

Last month, I mentioned that our website is going through a redesign. As with all things, we ran into a few hiccups and are working through the small issues that have been found. The contemporary side has gone through the biggest transformation, so far, and a similar look is soon to follow for the 19th century side.

It is our goal to make your visit as easy and helpful as possible ... so if you do come across something that is not working correctly, please let us know. With almost 20,000 pages indexed on Google, it is hard to check them all!

Palm Beach & Naples Shows

February is here, and it is time for us to head for some sunny (and hopefully warm) weather. The Palm Beach Show opens on February 14th and will run through February 21st. We will then transition over to the west coast of Florida for the Naples Show, which opens on February 23rd and closes on the afternoon of the 27th.

If you would like tickets to either show, please let us know.

The Stock Market & Cryptocurrency

By: Howard

The first month of the year is now over and it was time to check my portfolios ... I was feeling pretty good, even though there were a few DOWN days.

I am sure you are all wondering about Amy's cryptocurrency gamble. Well, she is all bummed out since it has been going in the wrong direction. What you need to remember is that she bought into Bitcoin when it was trading at about \$3,800. As of today, it is around \$10,100. So, an increase of close to 3 times isn't too bad. She bought into Ethereum at about \$263... and it is trading at \$1,126 today while Litecoin cost her about \$54 and it is at \$165 today. Not sure why she is complaining! Now, her Ripple gamble has not been as good...

she bought 253 Ripple at \$1.91 and today it was hovering in the \$1.15 range. On the bright side, these coins are so volatile, that by Friday she could be a millionaire ... or not!

As for the Dow, I am still trying to see the ceiling -- we opened the month at 24,719 and closed at 26,149 ... and that was after a couple of down days. The Euro closed out the month at \$1.24 (up); the Pound jumped to \$1.42; Crude is also moving up \$64.84 and Gold keeps going north - \$1,346.30.

And now for my personal monthly gains or losses ... JP Morgan (\$115.90 – up \$8.73), Exxon (\$87.30 – up \$3.66), AT&T (\$37.45 – down \$1.43), Verizon (\$54.07 – up \$1.14), Wal-Mart (\$106.6 – up \$7.85), Coke (\$47.59 – up \$1.71), DowDuPont (\$75.58 – up \$4.36), Merck (\$59.25 – up \$2.98), Disney (\$108.6 – up \$1.16), Intel (\$48.14 – up \$1.98), Apple (\$167.43 – down \$1.8), Microsoft (\$95.01 – up \$9.47) and United Technologies (\$138.01 – up \$10.44). I am sure you saw the trend ... UP! Of the 13 stocks listed, 11 up and 2 down --- same as last month --- and the ups far outweighed the downs.

Tales from the Dark Side

By: Alyssa

Sexual Harassment Allegations Surface Across The Pond

An article in the Guardian, by Ben Quinn and Cristina Ruiz, covers the sexual harassment allegations against one of Britain's most important contemporary art dealers ... 78 year old Anthony d'Offay. According to the report, the 'inappropriate behavior' began in 1997 and *d'Offay said of the allegations by the three women: "I am appalled these allegations are being levelled against me and I categorically deny the claims being made." He added. "I am completely unaware of any police investigation. If there is one, then police time is being wasted."* He also said: *"I conceived the idea for Artist Rooms some 15 years ago. It has been a wonderful success. However, having been directly involved for that length of time and also reaching 78 years old, I decided in December it was time to retire as ex-officio curator."*

What to Say When Lighting Strikes Twice...

"I was shocked." That's what the foundry owner said when he learned that a 7 ½ foot tall sculpture went missing from his shop. The work, Athena, by German Neo-Expressionist artist Markus Lüpertz, is a brightly painted bronze weighing over 500 pounds. Once the foundry realized the sculpture was missing, they contacted the authorities. Unfortunately, it is unknown whether the work was stolen for its scrap value (just a few thousand euros) or for the work itself, estimated at a few hundred thousand euros.

This is the second time Lüpertz is the victim of theft. In 2015, 30 works of art, which included drawings, watercolors, graphics and sculptures, were stolen from his studio in Teltow, outside of Berlin. All but one of those have been recovered.

"I'll Make [her] an Offer [s]he Can't Refuse"

That's what Igor Toporkovski must have said when he donated 26 questionable works to the Museum of Fine Arts in Ghent. According to The Art Newspaper, every piece from an exhibition of Russian Avant-Garde works has issues. Experts and researchers are claiming that works by Kazimir Malevich, Wassily Kandinsky, Vladimir Tatlin, Lazar el Lissitzky, Alexei Jawlensky, Natalia Goncharova, Mikhail Larionov and others are basically unknown. No historical records, no detailed provenance, no previous sales history, and cannot be found in their respective catalogue raisonné (a scholarly source which lists all known works by an artist).

Catherine de Zegher, the director of the museum has claimed she will "rewrite the history of the Russian avant-garde". I wonder how she will do that considering her 'expertise' is in the field of Contemporary art. To me, it sounds like she'll be saying... "Don't ask me about my business, Kay."

Cracking Down on Stolen Antiquities

The Antiquities Trafficking Unit, recently formed by the New York District Attorney, is moving along at a brisk pace. Earlier this month, the team seized 6 artifacts from Phoenix Ancient Art (valued at \$450K) and another 10 objects from collector Michael Steinhardt (the retired billionaire hedge fund manager). A number of these items have now been matched to the confiscated archives of Medici, Becchina and Symes-Michaelides (dealers who

were convicted for their involvement in numerous cases of antiquities looted from Italy, Greece and other countries, after the 1970 UNESCO Convention).

It appears that the buying and selling of looted artifacts has been going on for years (decades/centuries) and I am sure that these recent seizures are just the tip of the iceberg. Going forward, there will be many more unhappy collectors who bought their items in good faith.

Really!

By: Amy

Since the Grammy Awards took place this past weekend in New York, I thought it would be interesting to see what Music Memorabilia had recently sold. A handmade shirt with an Indian motif that was worn by Jimi Hendrix in 1967 just sold for slightly more than 5 times the high estimate. Hendrix wore it during two concerts, one in Paris and the other in Germany, and while he was recording the album "Are You Experienced." After a backstage meeting in Munich, Hendrix gave the shirt to a friend of the consignor. It was estimated to make \$10-20K but hammered down at \$85K (\$106,250 with the commission) – it is the most valuable piece of Hendrix clothing sold at auction...who knows, maybe some *Foxy Lady* has it hanging in her closet.

Now some superstars choose a ride that is worthy of their celebrity status, and some just travel in a less conspicuous fashion. In 1981, David Bowie bought a Volvo 262C Bertone, which was considered quite sedate for Bowie at the time, as he was always pushing the boundaries with his music. According to reports, this Volvo was a little more exciting than most since it had electric windows, leather seats and most importantly, a Hi-Fi stereo – really, these seem like pretty standard equipment to me. The car, now in its *Golden Years*, was estimated to make \$10-20K; but drove off the auction block for \$218K!

And now for a car with a little more panache – Paul McCartney's Aston Martin DB5 which he bought new, in 1964; shortly after the Beatles returned from their hugely successful USA tour. McCartney sold the car in 1970, and it has passed through the hands of several owners and gone through some color changes. Originally, McCartney ordered the car in blue; but along the way one owner changed it to silver ... similar in color to the DB5s in early James Bond movies. In 2012, the car was fully restored by Aston Martin specialist Alan Smith Motors and according to the auction house, the car was now in "at least as good as, if not better condition as when it was built" – really?? After *The Long and Winding Roads* this car must have travelled, it rambled just past the low end of the \$1.6-2M estimate and sold for \$1.7M with the commission.

Finally, the sale of this little piece of memorabilia did surprise me. There were at least two fans of the late Kurt Cobain who battled it out for his Blockbuster Video card (Cobain was one of the founding members of the group Nirvana and passed away in 1994 from an apparent suicide). Both Nirvana and Blockbuster could be considered icons of the '80s and '90s, so maybe it shouldn't have surprised me when the card sold well beyond the \$4-600 estimate and made \$2,187. Maybe someone will try to use the card to take out the movie *About a Girl*. In case you are wondering, Blockbuster just closed their last store in Texas, but there is still one in Oregon and a few in Alaska!

REHSing Artists

By: Lance

Managing the pipeline – I know it's been quite a while since my last REHSing Artists piece which discussed presenting your work... hopefully in all that time, you've found some representation! Once you have representation, comes the fun part... sales! And how do you keep making sales? Keep making artwork! One of the most important aspects of your career is managing a steady flow of material onto the market, so here are a few things to be mindful of...

Whether you're represented by one small/local gallery, or have representation in major cities around the world, one thing you can guarantee is that each gallery is going to expect new inventory on a consistent basis. Additionally, one of the easiest ways to build a trusting relationship is by giving accurate expectations and

following through. So, let's start off with a simple example... an entry level artist working with a local gallery – say you can produce one mid-size (18x24 inch) work each month... you'd be walking in thinking you could supply your gallery with 12 works each year... but in reality, that's a longshot because, well... life happens – you know, things you cannot plan for. It would be a mistake to give a gallery the impression you will produce 12 works each year since they will begin to plan the marketing of your work based on expected production levels (sorry to make it sound so corporate). So, regardless of your production levels, ahead or behind schedule, you should be in touch with your gallery regularly so they know what is, or is not coming. A common theme in this piece has to do with planning and coordination – remember, the artist/gallery relationship is a business partnership and that means teamwork. When planning for events such as art fairs or preparing an advertising schedule, it helps the gallery make the best decision for the team if they know what is in the works and when they should expect new inventory.

Along the way, other opportunities will inevitably arise (juried/group exhibits, magazine articles, etc.) and taking on these projects will take time away from producing works for your gallery's inventory. Any opportunities you are considering should be openly discussed with your gallery – not in the sense that you need permission, but in the sense that they should know if there will be a gap in your normal work flow. Again, this allows the gallery to make informed decisions regarding their business operations... if you are working with a "good" gallery, you'd hope that they would want to help you make the best decisions for your career since it would be in their best interest as well. Something to keep in mind here is that your gallery likely spends a lot of time, money and energy working on your behalf, so it may be advisable to give their needs a little priority. For example, you may be offered a chance to submit a new work for a group show at a new trendy gallery OR get a new inventory piece done for your gallery before a big art fair. And while a new inventory piece seems less enticing, if you regularly show with a gallery, fair visitors and clients/collectors look to see new work by artists they have seen or bought before – it may be the only opportunity in an entire year to expose your work to those people ... and some art fairs can bring in 50,000+ visitors in a weekend! So, although the routine art fair that your work gets shown at each year seems less exciting, it may be the smarter long-term decision. I'll concede, that may not always be the case... but again, that is why you should be discussing this with your gallery – to determine which opportunities get priority.

The last point I want to make is that it is paramount to always have available work... especially when something sells. An interesting thing about human psychology is that people want what others have... so if a gallery announces a sale, there is a chance that other perspective buyers may look to pull the trigger as well. If you only have one available painting, it is tough to capitalize on the momentum. We start to see that being a bigger issue with artists who have multiple galleries and spread themselves too thin, where they may only have one or two works at each gallery at a time. There are obvious exposure benefits to having a second location, but if Gallery X announces a sale of your painting to their collectors, Gallery Y's collectors are not exposed to that work and the sale... it certainly is a delicate balancing act but hypothetically, it may be better to have 2 galleries with 4-5 paintings each than 4 galleries with 2 paintings each. Similarly, if instead of completing one painting each month, you completed one painting every 3 months, it could be very difficult to build inventory and maintain market traction – it probably wouldn't be advisable to look for additional representation.

The main point I want to highlight here goes back to managing expectations. If you openly communicate with your gallery and their expectations are on par with your production, you will continue to grow and foster a healthy, long-lasting partnership in your art career.

The Art Market – A Report from the Trenches

By: Howard

The month of January was a quiet one in the auction arena (at least for the art market). There wasn't one major sale to report on ... oh, how nice that was! I have a feeling that the same will not hold true for February.

In the private sale side of things ... the art galleries ... there was plenty of action. Shows and fairs abound in January. Among the largest were: FOG Design + Art in San Francisco; Untitled, San Francisco; Art Palm Beach; London Art Fair; Outsider Art Fair (NYC); Art Los Angeles Contemporary; The Winter Antiques Show (NYC) and The LA Art Show ... the latter of which we exhibited at. On top of those, there were at least another 35 assorted 'antique' shows throughout the US.

Reports from fellow dealers were that most had very good fairs and it was not only in the contemporary arena, but in the historic and antique as well. I even heard a few reports that millennials were looking at and buying

antiques! What? Really? Buying something that will last more than a few years? A friend in the antique business even mentioned that one of his best sales was to an under 30 couple. I hope this is a trend that continues.

I will also give you a first-hand report the LA Art Show. As the only exhibitor who has exhibited at every show, I have seen it all. From our first year when 14 dealers' set-up in Pasadena and welcomed a crowd of about 300 people to this year with over 100 dealers and tens of thousands of visitors, this show has been an amazing ride. Over the past few years we have had 2 separate booths – one for our contemporary and another for the historic works. As I mentioned in last month's newsletter, this year we decided to combine the two – building a booth within a booth – and both the public and other exhibitors loved it. We received numerous compliments throughout the run of the show and plan to repeat the design next year – with one or two improvements.

Opening night was a blast and we even saw several sales. We even sold to other dealers in the show! Thursday and Friday were busy, but when the weekend hit, the crowds poured in. Lines to get in were out the convention center's doors!! There was a continuous flow of people and a tremendous amount of interest and, of course, sales! I would state that this was one of the best LA Art Shows we had. I can also add that the dealers near us reported similar results ... it was just too busy to roam the floor to talk with other dealers to see how they did.

I should also mention that normally January is a quiet month in the gallery, but that was not the case this year. Works by Cortes, Berthelsen, Valtat, Bauer, Daly, Casey and Santander all found new homes.

The month of February will bring a start to the public sales. First, we will have the Master Paintings sales in New York ... guess they decided to drop the OLD from the title. But yes, these are the Old Master sales. Look, these paintings and artists are what they are ... the Old Masters. Embrace that! Then, by the end of the month, we will start seeing some serious action in London with the Impressionist and Surrealist sales. In the private sector, there are more fairs ... we will be exhibiting at the Palm Beach and Naples shows – do not forget to let us know if you need tickets. On display will be both contemporary and historic works of art. Among the featured artists will be: Corot, Courtat, Landini, Knight, Blanchard, Cortes, Vlaminc, Zuber-Buhler, Santoro, del Campo, Grimshaw, Edzard, Casey, Bauer, Hollingsworth, Hammond, Dunkel, South, Mastromatteo, Bell, Palumbo, and many others. Keep an eye on our social media platforms (Instagram, Facebook, LinkedIn and Twitter) for daily updates from the fair floor! And if you want some up to the minute reporting on the public sales, keep checking our blog ... we will cover the sales as they take place.

The Rehs Family

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