

COMMENTS ON THE ART MARKET

VOLUME 221

Rehs Galleries, Inc.
Rehs Contemporary Galleries, Inc.
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Upcoming Gallery Exhibition



OPENING

Saturday, May 4th, from 1 - 6 pm
5 East 57th Street - 8th Floor
New York, NY 10022

Rehs Contemporary will unveil a series of new works from Julie Bell at her first solo exhibition, *Lush*. The body of work put forth is a culmination of more than a year's work... and a lifetime of examining a myriad of textures and surfaces all through the exploration of diverse themes, both terrestrial and otherworldly.

In The News

[**Earthly, Otherworldly Themes Collide, Captivate In Lush Paintings Of Artist Who Awed Marvel Comics**](#) Natasha Gural (Forbes.com) interviewed Julie Bell for an article about her and our upcoming exhibition *Lush*.

[**World's Preeminent Dealer Of Edouard Cortès Obtains Immaculate Painting That Emerged After 114 Years**](#) A story on Forbes.com about our recent discovery of a rare, early, painting by Edouard Leon Cortes.

Stocks & Crypto

By: Howard

I was working really late in the gallery on April 30th since Alyssa is out on vacation, so we were one person short – the one person who puts most of the newsletter together each month!

When I checked the market in the evening, I was very pleased to see that the Dow was at 26,592.91 – up over 660 points from the end of March – NICE! I then peeked at the crypto market and found that Bitcoin made a big leap – closing at \$5385 (up over \$1250 for the month – Amy was jumping for joy). On top of that,

Litecoin hit \$76.07 (up \$14.39), Ripple was at .3132 (up a fraction), and Ethereum closed at \$166.04 (up \$19.77). Crude Oil prices increased to \$63.53. Gold continued its downward trend, dropping \$12 to close at \$1,284.90. The British Pound and Euro are just trading water 1.3042 and \$1.1215 respectively.

Now for the best part, my stocks: JP Morgan (\$116.50 – up \$14.82), Exxon (\$80.28 – down \$0.52), AT&T (\$30.96 – down \$0.40), Verizon (\$57.19 – down \$1.94), Wal-Mart (\$102.84 – up \$5.31), Coke (\$49.06 – up \$2.20), Merck (\$78.71 – down \$4.46), Disney (\$136.97 – up \$25.94 - wow), Intel (\$51.04 – down \$2.66), Apple (\$200.67 – up \$10.72), Microsoft (\$130.60 – up \$12.66), United Technologies (\$142.61 – up \$13.72), Bristol-Myers (\$46.43 – down \$1.28), Cisco (\$55.95 – up \$1.96) and Emerson (\$70.99 – up \$2.52), and Pepsi (\$128.05 – up \$5.50). Ten up and six down – not as good as last month, but the ups far outweighed the downs in terms of dollars gained vs. lost. The gain in Microsoft alone covered the losses in the 6 that were down ... and there was even a little change left over. Retirement, here we come!

You might have noticed that I pulled out DowDuPont since it broke up, so DowDupont is now at \$38.45 and Dow, Inc. is at \$56.60. I will add them back next month.

How to Safely Navigate The Art Market: The Artist's Quintessential Image/Style

By: Howard

When considering the purchase of a specific artist's work, it is advisable to learn what they are famous for – their quintessential, or what some people call their signature image/style. Were they known for their still lifes, landscapes, cityscapes, portraits, etc.; and/or was their style impressionist, realist, abstract, etc.? While artists may have a variety of subjects or styles, most become famous for something very specific. This is not to say you should only buy their signature image or style; but, knowing all the different styles and subject matters will help you determine which are more desirable and what an appropriate price should be for each style or subject.

Now, if you are going to buy just one work by an artist, then we typically advise people to stick with their signature image/style. These works will normally be the most expensive; however, because of their wider appeal, they should be the easiest to resell in the future. If an artist is known for their beautiful still life paintings or cityscapes, then you are usually best served buying one of those (please note that we say usually because there are always exceptions).

On the other hand, if you become a collector of a particular artist then you may want to branch out and acquire a variety of styles and subjects. Even then, the core of your collection will, more than likely, contain many works featuring that artist's signature image, done in their signature style.

A nice example of a signature image can be seen in the works of Edouard Leon Cortès whose Parisian street scenes have become highly collectible; but, Cortes also painted stunning landscapes and interior scenes that were executed in Normandy and Brittany. We find that most collectors who want to add a Cortes to their collection initially purchase views of Paris; in fact, most do not even realize that he painted landscapes, interiors, and the occasional still life. Inevitably, some of these buyers start to collect Cortes's work, and then they want to diversify the collection – adding some of his landscapes and interior scenes.

Do keep in mind that some artists have more than one signature image. For example, Julien Dupré is famous for his images of French peasants during the latter half of the 19th century and there are two subjects that people look for... peasants working in the hayfield, and farmhands tending cows or sheep. If you want to buy just one Dupré for your collection, then you can choose whichever subject appeals to you most.

Then, there are artists who do not have a signature image but have a signature style. In that case, stick with the signature style. A great example of this is the works of Mondrian whose very early works were academic, then turned to post-impressionistic, and finally to a style he called Neoplasticism. While some of his earlier works will still command pretty impressive price (upwards of \$2M), it is the later ones that have reached the \$20M-\$50M range.

Having said all that, in the end, it still comes down to this... buy what you like, because you are going to live with it! Do your research and visit the galleries who are the experts in the period of art you enjoy. The right gallery will be able to guide you to the right paintings at the right price!

Tales From the Dark Side

By: Alyssa

The Purloined Thumb! - As one of China's most prized relics, the Chinese government spent years reviewing the Franklin Institute's security before agreeing to loan 10 life-sized terracotta soldiers dating back 2000 years. Unfortunately, the institute dropped the ball when they threw an "Ugly Sweater" Christmas party on site two years ago, and a boozed-up guest wandered off into the museum. After snapping a selfie with the small army, the 24-year-old party goer, Mr. Rohana, grabbed the hand of one of the soldiers, breaking off his thumb. For the next few weeks, his anxiety was at an all-time high, with the thumb stashed away in his bedroom desk drawer... that was until the FBI knocked on his front door and he handed over the thumb. Rohana was indicted on counts of theft and concealment of an object of cultural heritage, crimes punishable by up to 10 years in prison, each. During the court hearing, both sides pleaded their case bringing several "experts" to the stand. One expert appraised the thumb at most to be \$500, another at over \$5,000 and the last at \$150,000. The vast discrepancy in the appraisals by the "experts" left the jury unable to agree whether the trial they heard fit the criteria of the federal theft statute.

The judge declared a mistrial and the fate of Mr. Rohana and the thumb are still up in the air...for now.

Why Does Our Legal System Allow This? - A few months ago we received an email from a writer at ArtNet asking if we wanted to comment on a lawsuit that was filed claiming our website (and those of over 100 other dealers) was not ADA compliant. What? Whoever heard that a website had to be ADA compliant? Not us, and no one we spoke with in our industry.

What happened next?

First, we contacted our insurance broker to see if we had coverage and received the following reply:

We have received several of these emails from several other galleries and have forwarded a request for coverage analysis to Chubb Group, the insurer for your General Liability Insurance. They are reviewing this suit per the attached confirmation, but we do not believe there is any coverage for this as this policy is designed to provide bodily injury/property damage.

*Traditionally there may be limited coverage under an Employment Practices Liability policy for **legal expenses only**, which would be subject to the policy deductible. We have offered this coverage in the past, however, it was not purchased. Additionally, we believe the resolution of this complaint will most likely fall under a standard policy deductible, and no insurance payment would be made anyway.*

There are opportunities to join other art galleries facing the same complaint and prepare a joint response, thus reducing costs.

After that, I knew this was going to cost us a chunk of change!

Then we called our webmaster, [Frank Imburgio](#), to discuss the matter. Frank had recently dealt with the ADA matter for another client, in a different industry, who was hit with a similar suit. Within a month, our website was brought up to "code." Now, the worst part of all this is that there are no specific guidelines, from our government, as to what makes a website compliant! Because of that, every industry is now a target for these lawsuits.

As I am sure you can guess, our next step was to hire an attorney and start the legal process. Initially, we spoke with Judith Wallace ([Carter Ledyard & Milburn LLP](#)), Douglas Rowe ([Certilman Balin Adler & Hyman, LLP](#)), and Joseph DiPalma ([Jackson Lewis P.C.](#)). All three gave us great advice and could have easily

handled the case; however, in the end, we decided to hire DiPalma since he was already representing about 20 galleries and had past dealings with the plaintiff's lawyers (the idea was power in numbers). All three attorneys explained that these cases are brought by a select group of attorneys who are just looking to 'make money'. They know that the cost to defend a case can run into the six figures (yes, over \$100,000), so people settle. What I found most interesting, is that the plaintiff is only entitled \$500 for each action, while the attorney gets their fees (or the balance of the money received) ... and depending on the industry, settlements have run \$10,000, \$15,000, \$25,000 and more. Now multiply any of those numbers by 100 ... SICK!

While I was dealing with this, Lance started doing a little research and came across a study by the Lawsuit Reform Alliance of New York released last year titled "[Serial Plaintiffs: The Abuse of Title III](#)" — something I recommend everyone read.

Here is my question — When will our government enact laws to prevent this abuse? Oh wait, I just did a Google search and discovered that – *According to the Congressional Research Service 170 members of the House and 60 Senators are lawyers. Out of a total of 435 U.S. Representatives and 100 Senators (535 total in Congress), lawyers comprise the biggest voting block of one type, making up 43% of Congress. Sixty percent of the U.S. Senate is lawyers.* Guess they are in no rush!

The Bright Side Of The Art World's Dark Side - Sometimes the Dark Side of the art world turns Bright. A two-decade-long search for Picasso's *Buste de Femme (dora Maar)* came to an end last month when Dutch investigator Arthur Brand, announced its recovery.

The painting, which hung in Picasso's home until his death, was purchased by Sheikh Abdul Mohsen Abdulmalik Al-Sheikh in 1980 for £4 million and hung on his 246-foot yacht – Coral Island. In 1999, the yacht was scheduled for maintenance, so the painting was wrapped up and locked in a room awaiting transport to a bank vault for safe keeping. A few days later, workers came to collect the painting and poof! It was gone!

In 2015, Brand got wind that the painting was moving through the underworld and he let it be known that he wanted to help return it to its rightful owner. Along the way, he learned that the painting traded hands at least ten times since its disappearance.

Last month, Brand received a phone call from representatives of a Dutch businessman claiming that their client had the painting. According to the article, the business man "thought the Picasso was part of a legitimate deal. It turns out the deal was legitimate – the method of payment [the painting] was not." A short time later, those representatives arrived at Brand's door in Amsterdam with the Picasso – now valued at US\$28 million – wrapped in garbage bags.

Brand took possession of the work, had it authenticated by experts from New York and handed over to an unnamed insurance firm.

Really!

By: Amy



Last year we sold a fabulous painting by Jehan-Georges Vibert, titled *If I Were King* that featured a Cardinal sitting on one of Napoleon's thrones, so I was excited when I saw that a throne, very similar to the one in the painting, was coming up for auction. It was always believed that Napoleon commissioned five thrones (located at the Place of the Tuileries, the Castle of Saint-Cloud, the Senate, the National Assembly and Paris City Hall), this was not one of those and so the authenticity was in question. In fact, the 'chair' was sold just a year ago at Christie's in New York for a mere \$6800 because it was not believed to be one that was made for or sat in by Napoleon. After months of research by several experts, it was deemed to be authentic and the auction house in France gave it a modest €60-80K estimate. After a bidding battle of five contenders, I

would say the hammer price reflects that quite a few people think it was a throne made for the Emperor; it sold for €500K (€540 w/c). Really! Will Christie's have to answer to the American museum that consigned it last year?

I am sure everyone remembers the Nintendo craze when it first hit the stores in the mid-1980s - the NES (Nintendo Entertainment System) really consumed most of Howard's nights in the early days of our marriage, but I learned to really appreciate the games when Lance was born, as Howard would stay up until 2 AM, playing his games until it was time to feed Lance. (FYI – Nintendo launched in Japan on July 15, 1983 – Lance was born on July 15, 1987). In 1985, the NES game Super Mario Brothers was released, and test marketed in NY and LA; obviously it was very successful, and I would say that Mario and Luigi have become two of the most recognized characters of our time. During the first year, Nintendo did not shrink wrap the boxes, instead they used a circular sticker to seal the game box that read *Nintendo*, and the only known, original, unopened copy of Super Mario Bros. with the original circular sticker seal was just bought by a group of collectors: Jim Halperin, founder and co-chairman of Heritage Auctions, Zac Gieg owner of Just Press Play Video Games and Rich Lecce, owner of Robert B. Lecce Numismatist Inc. The really big price was a record setting \$100,150! Will it appear at a Heritage auction in the near future? The Magic 8 Ball says – *Better not tell you now.*



One of the most iconic images of the 20th century is the Coca-Cola bottle, everyone knows the classic design, and it has basically remained unchanged for over 100 years. In 1915, Coca-Cola had several glass manufacturers submit prototypes to come up with a bottle design suitable the brand. Eight companies submitted bottles and the design from Earl R. Dean from the Root Glass Company won. Coca-Cola realized that several adjustments would have to be made to the bottle so that it would fit into the bottling machinery. Over the next two years several prototypes were developed and after all the confidential testing was complete and a design was chosen, all other prototypes were to be destroyed – really? Well apparently, not all the bottles were destroyed – one was discovered while sorting through a Coca-Cola collection from a retired Coca-Cola employee. The bottle is in near perfect condition and carried a \$100 -150K estimate... it sold with only 5 bids for just \$108K w/c. Not bad for an empty coke bottle, but a far cry from one that sold in 2011 for \$240K.

The Art Market

By: Lance & Howard

While reading our reports, do keep in mind is that these sales are just one small piece of a giant puzzle. Any auction is only as good as the works the salerooms get in. They are also on a schedule and need to present their sales at certain times of the year ... if nothing great is offered to them, then the sales are going to suffer. Over the past decade, we have seen a shortage of high quality 19th-century works being offered at the major auction rooms. When something special appears the result is impressive, and when it is just 'stuff' then we all know what happens.

Enjoy!

Christie's, New York – 19th Century

As we have seen with many of the 19th-century sales, the results come down to the condition, quality and estimate ranges. When they are all aligned things go well, when they are not then trouble arises.

I decided to watch this sale live (yes, I sat in the room from beginning to end). As you would expect, they started with lot 1, a painting by H.C. Delpy. The small Barbizon landscape was estimated to bring \$10-15K and bidding started at \$700 (no, I am not missing a zero). There wasn't much action, but the auctioneer was able to get it up to \$1,300 and it sold! After that happened, I figured we were in for a nauseating ride ...

thankfully, things got a little better. In fact, of the first 26 lots, only 2 failed to find buyers ... then it got a little choppy (10 of the next 23 were bought-in), but I managed to make it through without getting seasick.



Taking the number one spot was Gustave Courbet's *Le chasseur d'eau* at \$500K (\$615 w/c – est. \$500-700K) – it last sold in 1998 for \$256K. Coming in a close second at \$430K (\$531K w/c – est. \$250-350K) was George Clausen's *Holiday Time*, which saw some active bidding; and third place was nabbed by de Schryver's *Marchand de fleurs, la rue du Havre, Paris* that brought \$420K (\$519K w/c – est. \$300-500K) – this one last sold in 2016 for \$225K. The fourth spot was filled by Grimshaw's *Spirit of Night* at \$290K (\$363K w/c – est. \$300-500K). This was not one of the fresher works ... in 2002 it brought \$538K, in 2015 it was offered with a \$700-1M estimate and bought-in, and in 2016 they tried again at \$600-800K and no takers. Rounding out the top five were

Lhermitte's *La vendange à Mont-Saint-Père* (est. \$200-300K) and Gérôme's *Pygmalion et Galatée, esquisse à l'huile* (est. \$100-150K), both of which hammered down at \$240K (\$300K w/c).

While there weren't many other true highlights, there were some sizable failures. Bouguereau's *L'Attente* (est. \$600-800K), Boldini's *L'amica del marchese* (est. \$300-500K), Gervex's *Une séance du jury de peinture – étude* (\$300-500K), and Sala's *The Anichkov Bridge on Nevsky Prospekt at Dusk, St. Petersburg* (est. \$150-250K) all failed to entice some bidding.

By the time the final lot came across the block (and failed to sell), 64 of the 87 lots found buyers (73.6% sell-through rate – pretty respectable), and they generated \$5.05M (\$6.29M w/c). Sadly, even with the buyer's premium, they fell just short of their expected low end – \$6.33M. Of the 87 works offered, 19 were below, 30 within, and 15 above their estimates; this left them with an accuracy rate of 34.5% (which is ok). Stay tuned, May is here and you know what that means – more sales!

Sotheby's London – The Orientalists

On April 30th, Sotheby's presented their selection of 19th century Orientalist paintings and, at times, the desert heat took its toll.



Taking the top two slots were paintings by Jean-Léon Gérôme: *Rider and His Steed in the Desert* hammered at £950K (£1.16/\$1.5M with commission – w/c ... est. £1-1.5M), while *Evening Prayer, Cairo* brought £600K (£735/\$951K w/c ... est. £600-800K). I am sure the latter made the seller happy since they bought the work in 2018 for \$423K. In third, we had a little surprise – Auguste Veillon's *Halt in the Desert* brought an auction record for the artist £250K (£313/\$404K w/c, on an £80-120K est.). Rounding out the top five, we had a tie at £220K (£275/\$356K w/c); Carl Haag's *The Holy Rock, Jerusalem*

(est. £50-70K) and Carl Saltzmann's *Leander's Tower and the Old City Beyond, Constantinople* (£100-150K). It is interesting to note that the numbers 3, 4 and 5 all beat their presale estimates, while the top two struggled to make it.

There were other respectable results, including Enrico Tarenghi's *The Entertainers* at £95K (£119K/\$154K – est. £15-20K) and Carl Haag's *The Ruins of the Temple of the Sun, Palmyra* at £110K (£138/\$178K w/c – est. £50-70K). Along with the good, there were a number that failed to generate any interest; these included works by Belly (£250-350K), Ernst (£250-350K), Ambros (£200-300K), Corrodi (£80-120K), and de Mango (£70-100K).

By the end of the session, of the 77 works offered, 52 sold (67.5%), and the total generated was £4.33M (£5.34M/\$6.96M w/c) ... the low end of their range was £5M, so without the buyer's premium, they came up

short. Of the 52 sold lots, 3 were below, 34 within, and 15 above their presale estimate ranges; this gave them an accuracy rate of 44% — impressive. Looking a little closer, we discover that while 34 works sold within their range, 24 were at the low end; this leads me to believe that some, if not all, sold at their reserve.

Unlike the competition's sale, where one work stole the show (or made the sale), here they had the help of several works. In the Christie's sale, the Bauernfeind (their top lot) accounted for 75% of the sale's total; here, the Gérôme accounted for 22% of the total. In addition, the top 5 works garnered £2.24M (52%), compared to Christie's top five at £4.46M, or 93%.

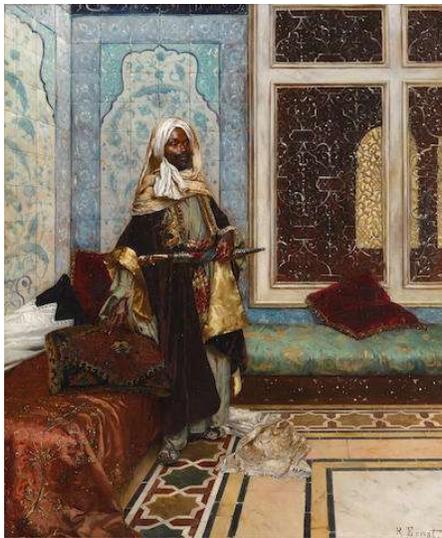
While neither sale was a blockbuster, Sotheby's seemed to be a bit healthier.

For The North – Bonhams 19th Century European

All those years of procrastinating on homework assignments and book reports are finally paying off! This last week of the month has seen a flurry of auctions, and since the newsletter is due out any minute, we're cramming to cover them all...

I'm just going to preface this by saying that when I went to view the sale, I was not very impressed with the quality and expected this to be a rough going.

The Bonhams 19th Century European Paintings sale just finished up and it was a bloodbath in the likes of the Battle of Winterfell... the BI's were pouring in like the army of the dead. Honestly, I don't think I can recall seeing a sell-through rate below 50%... it was bad! Sorry Madalina : \



Let's quickly go through the highlights of the sale, if we can even call them that... the top lot and cover piece was Rudolf Ernst's *The Palace Guard*, which unfortunately fell a bit short of its \$200-300K estimate as it hammered at \$180K. When you add the premium, that bumps the price to just over \$225K. The provenance indicated that the work was acquired in 1998 for just \$66.5K, so while the seller may have had loftier expectations, he still came out ahead. Taking second was Wilhelm Kuhnert's *Lowen in der Steppe*, which too fell short of its \$150-200K estimate when it hammered at \$130K. Again, once we add in the buyer's premium, that bumps the reported price to \$162K... this work, while reportedly acquired in 1997 through Christie's South Kensington, has sneakily gone unreported on all of the auction databases... let's all just hope for the best, and assume the seller made a few bucks on this one too. Rounding out the top three was a work by Munnings – this one actually made it into the estimate range without the help of the buyer's premium... *Fred Gray – Leading Home* hammered at \$110K on a \$100-150K estimate. Once we factor in the premium, that brings us up to \$137K.

I'd be hard-pressed to find anything else that was noteworthy... a Thomas Somerscales made \$40K on an \$8-12K estimate – that's relatively impressive, I guess.

All that said, there were times that this sale seemed downright terrifying... I mean, imagine the cover-piece selling below the estimate, followed by two more works selling below the estimate, and then rattling off 12 straight unsold lots! The mood in the room was dire, to say the least. There were also fun, little near-failures that added to the depressing mood... while they were not substantial lots, we still got to watch a work by Louis Isabey estimated at \$8-12K sell for just \$1,000... and a John Naish achieve \$1,500 on a \$10-15K estimate.

The overall picture painted certainly isn't a pretty one... in fact, you may find it in another Bonham's sale. There were initially 78 works offered with 4 withdrawn prior to the sale commencing... that left us with 74 works up for grabs – just 34 (45.9%) of them found buyers. On top of that, 18 of those 34 were at prices below the estimate... and of the 9 lots that sold within their estimate range, 5 of them were exactly at the bottom end of said range... for those who are curious, when we compare the results to the pre-sale

estimates, we get a roughly 12% accuracy rate. In the end, Bonhams sold roughly \$972K of material (\$1.2M when we add in the premiums) but given the estimates, they were anticipating bringing in between \$1.4-2.1M, so they were quite a bit short of that mark.

The Orientalists At Christie's – Thank Goodness For Bauernfeind!



On April 29th, Christie's London presented a small selection of 19th-century Orientalist paintings and the overall results were rather disappointing.

The top lot of the sale was Gustav Bauernfeind's *Forecourt of the Umayyad Mosque, Damascus* (1890) which carried an Estimate on Request (it was in the region of £3M), and sold for £3M hammer (£3.61/\$4.67M with commission – w/c) – guess they squeaked that one out. Coming in a distant second was Bridgman's *Two Young Algerians* at £210K (£262.5/\$340K w/c – est. £50-70K). I am sure the owner was happy with that result considering they paid \$96K for it in 2010. In third, they had Edward L. Weeks' *Before the Great Jami Masjid Mosque, Mathura, India* which hammered at £180K (£225/\$291K w/c – est. £100-200K). This seller was likely not too happy since they paid \$300K for it in 2010 (a little loss).

Rounding out the top five were Frederick Goodall's *Prayer in the Mosque of Sultan Hasan, Cairo* that brought £175K (£219/\$283K w/c – est. £60-80K ... it last sold in 2016 for \$24K ... another very happy seller); and then there was a large Ernst (which from the photo, did not appear to be one of his best) that hammered at £110K (£138/\$178K w/c – est. £120-180K ... this one sold in 2013 for \$119K, so there was a little profit).

With all that happiness, you might think the sale went well – think again. There were several paintings that failed to find buyers; among them were works by Weeks, Corrodi, Gerome, Goodall, Caffi, Ernst, and de Dreux. In fact, of the 29 works offered for sale, only 16 (55.2%) sold and the total take was £4.8M/\$6.2M w/c. The low end of the estimate range was £5.23M; so even with the buyer's premium, they fell short.

Looking a bit deeper we discover that the total for the top five lots was £4.46M, or 93% of the sale's total — the Bauernfeind alone accounted for 75% of the total (I am sure they were thankful for that lot). Of the 16 sold works, 4 were below, 7 within, and 5 above their presale estimate range; this left them with an accuracy rate of 24% which, when compared to other sales, is not too bad. However, the fact that almost half the works did not sell, really drives home the point that proper estimates, quality, and condition all factor into a successful sale.

All we can do now is wish them better luck next time.

The Rehs Family
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