

COMMENTS ON THE ART MARKET

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Thinking Of You

As many of you know, the gallery closed its doors almost three weeks ago to do our part in helping to "flatten the curve" and keep the family safe. As of now, we plan on keeping the gallery shut through April. Our thoughts and prayers go out to everyone reading this, and hope that you and your families are well. Now is a great time to enjoy your family and connect with old friends. Please keep in touch; we are concerned about everyone's health and safety.

We invite all of you to follow our different social media platforms for both of our galleries: Instagram, Facebook, Twitter, LinkedIn, Pinterest, etc. Rehs Galleries has a fun game going – Can You Guess The Artist? One day we upload two detail images of a sold painting, and the next day we post the full picture and description. It is a fun way to learn (through photographs) more about an artist, their techniques, and stylistic changes. Rehs Contemporary posts a mixture of sold and available works ... many of which include high-resolution detail images. It is a great way to get an up-close look.

Upcoming Show

A|MUS|E



On Monday, April 6th, we will unveil a digital exhibition, A|MUS|E, featuring new work from Stuart Dunkel on our website. Dunkel, who has seen rapid success in the last few years, has compiled more than 40 original paintings for this project – the largest number of available works in one venue by the artist.

Stuart Dunkel's subject matter ranges widely – his works can be classified as still life, landscapes, or even genre paintings – but one quirky characteristic is consistent throughout... the presence of a little white mouse named Chuckie; his Muse. A muse is most commonly thought of as the source of inspiration for a creative artist – for Dunkel, he thinks of it as more of a "magnificent obsession." But it is not just about what he is painting, as the artist says, "there is rhythm and harmony; my life has been dedicated to the pursuit of beauty."

Dunkel, a world-renowned oboist, turned his full attention from music to painting in the mid-1990s. Early on, much of his work focused on rendering various animals... that was until he submitted a painting of a mouse to a local gallery, where it found a buyer. Ever since, the mouse, which is in the biological genus Mus, has become the iconic feature of Dunkel's work.

The mouse that inhabits his work is clearly autobiographical, but it resonates universally, sharing emotional experiences that range from delight to fear - usually with a twist of humor as well. The seemingly non-stop adventure that Dunkel's mouse is on, allows the artist to keep a fresh sense to his compositions by developing endless narratives all in an attempt to amuse his viewers. As Dunkel puts it, "Chuckie is a problem solver. He meets life events with a goofy, glass half full attitude; and when the situation turns serious, he often glances out at the viewer in futility and disbelief. The true nature of my paintings is to reflect our human emotions through expression – those of being sad, mad, glad, scared and everything in between."

Along Dunkel's many explorations, his little white mouse routinely crosses paths an assortment of entertaining and odd characters; or stumbles into a kitchen and its enticing offerings; or is merely having some fun. His work has a way of connecting with viewers, oftentimes resulting in someone feeling as if the work was made uniquely for them. The artist takes a rather simple approach in showing us what he believes art should be – something amusing, beautiful and relatable.



A|MUS|E will remain on digital display on Rehs Contemporary Galleries website from April 6th through April 30th. We hope to soon be able to offer in-person viewing by appointment – please check our website regularly for updates.

Stocks

By: Howard

And I thought last month was a bad one with the Dow dropping almost 2900 points ... now I know that was just the appetizer portion. The main meal hit us in March, and I do not know about you, but I lost my appetite! I am even going to pass on dessert and the after-dinner drink. Sadly, since the gallery is closed, I have watched the market every day ... not fun. On the bright side, since I sold part of my holdings last month, I had some cash sitting on the sidelines, so I bought a few things.

We have all watched the market make some incredible swings (thousands of points in a single day), and thankfully, by the end of the month, we gained back some of the losses from earlier in the month. Now for the hard (to swallow) numbers. At the end of February, the Dow was sitting at 25,409.36; it bottomed out on March 23rd at 18,591 (an almost 7,000 point drop) and closed out the month at 21,917 – down only 3,492. At least it recovered from the low point. My question for all those in the know ... are we done yet?

Overall, most of my holdings were down. Bitcoin closed at \$6,447.52 (down \$2,206.77); Litecoin was at \$38.99 (down \$20.18); Ripple was at \$0.178 (down \$0.06); and Ethereum closed at \$133.86 (down \$90.97). These cryptocurrencies are really volatile.

The US Dollar was steady against the Euro \$1.10 (even) and strengthened against the British Pound \$1.2424 (up - \$0.037). Crude Oil was crushed, down \$25.16 to close at \$20.10, and Gold gained \$3.80 to close at \$1,591.10. As for some of my favorite, and new, stocks:

JP Morgan (\$90.03 – down \$26.08), AT&T (\$29.15 – down \$6.07), Verizon (\$53.73 – down \$0.43), Wal-Mart (\$113.62 – up \$5.94), Disney (\$96.20 – down \$21.05), Intel (\$54.05 – down \$1.47), Apple (\$254.29 – down \$19.07), Microsoft (\$158.72 – down \$3.29), United Technologies (sold on the last day \$95.42 – a loss), Bristol-Myers (\$55.74 – down \$3.32), Emerson (\$47.65 – down \$16.46), Pepsi (\$120.03 – down \$12), Eaton Corp. (\$77.69 – down \$13.03), Comcast (\$34.39 – down \$6.04). On the advice of a very wise friend and client, I bought Liberty Media (cost \$24.47 – closed at \$27.21 – up \$2.74) and American Express (cost \$92.11 – closed at \$85.61 – down \$6.50). Of the 15 stocks listed, 2 were up, while 13 were down. Looking on the bright side, at least two of them were up!

Remember, we are all in the same boat, so please be careful, keep your distance from people, wash your hands, and enjoy the isolation as best you can. We will get through this and be a much stronger and kinder society because of it.

Really

By: Amy



A \$360,000 Game System - In the late 1980s, Nintendo and Sony formed a partnership to create the Nintendo PlayStation. The idea was to incorporate a CD-ROM into the popular Super Nintendo entertainment/gaming system, but the partnership dissolved, and the prototypes of the gaming system were all thought to have been destroyed. One of the 200 prototypes (created c. 1992), was spared when Ólafur Jóhann Ólafsson, the founder and first president of Sony Computer Entertainment (a division of Sony Corporation), kept it when he left Sony and went to Advanta Corporation in 1997. In 1999 he moved to Time Warner, but appears to have left his gaming console behind.

In 2009, Advanta filed for bankruptcy, an office auction took place, and the Nintendo PlayStation prototype was one of the items sold. Terry Diebold, who worked at Advanta, purchased a bin at the auction that contained the piece for \$75.

The rare Nintendo-Sony system was found in Diebold's attic by his son, and they recently decided it was time to sell the one-of-a-kind item. A number of reports state that he turned down an offer of \$1.2M before putting the game up for sale at auction...REALLY?...you turned down over a million dollars?! So, I guess you now know where this is going – Heritage Auction's presale estimate was in excess of \$300,000, and the lucky new owner probably bought it against the reserve, he paid 'just' \$300,000 (\$360K w/p). And if you are wondering who bought the game...reports state that it was Greg McLemore, the founder of Pets.com; he plans on building a museum to showcase his collection of games, trade publications, and art.

Some Helping Hands Are Worth Their Weight In Gold - Need a pair of extra hands around the house these days? Earlier this month, a single item sale featured the hands of a remarkable man...not his real hands, of course, but a set of four gold casts of Nelson Mandela hands, created in 2002. Mandela was known for working to further human rights in South Africa and all around the world. In June of 1964, Mandela was given a life sentence by the South African government for his work to end apartheid; he was eventually released in 1990. The prison term he endured did not deter him; after his release, he continued to fight and became South Africa's first black President. In 1993 he was awarded the Nobel Peace Prize for his work, which peacefully ended South African apartheid and laid the foundation for democracy in that country.



To raise money and awareness for the Nelson Mandela Children's Fund, Mandela had every detail of his right hand captured in 99.99% pure gold by Harmony Gold, a prominent South African gold mining company. Two of the hands form a fist, symbolizing solidarity and support against apartheid, one inscribed 1964 and the other 1990. In addition, two open hands were created to symbolize unity and reconciliation, again each inscribed with 1990, commemorating the year he was released from prison.

The set was originally purchased by Malcolm Duncan, a South African businessman who paid \$31,000. Two years ago, he sold them to a Canadian cryptocurrency exchange for \$10M in Bitcoin – really? Converting solid gold into an invisible currency? This time around, the presale estimate for the complete set was \$10-20M; however, if the full set did not sell, each hand would be sold separately.

According to news reports, the set sold for \$10.45M; but upon further research, there appear to be some discrepancies as one of the online platforms shows the following results – the full set did not sell and only two hands sold. The solid gold fist inscribed 1990 sold for \$2.3M, and the open hand sold for \$2.225M. So as far as the actual results go, your guess is as good as mine...really!

Tales From the Dark Side

By: Alyssa & Lance



More Art Thefts – Why? It was recently reported that thieves broke into the Christ Church Picture Gallery in Oxford, England, and stole paintings by Van Dyck, Annibale Caracci, and Salvator Rosa. An article in the Daily Mail state that the theft included ...*the irreplaceable A Soldier on Horseback*, by Van Dyck. So, are they saying that the other two are replaceable? Wouldn't you agree that all three paintings are irreplaceable?

The theft of a unique work of art has always puzzled me. I know people claim there is a vast black market for these items, but unless you pass it off to an unsuspecting buyer or ransom it back, what do you do with it? Put it in your secret vault and occasionally look at it?

I do hope this one comes to a swift and happy ending.

Knowing Righter From Wronger - Philip Bennet Righter, of Los Angeles, is facing up to 25 years in federal prison after pleading guilty to federal charges of art fraud. The US Attorney's Office of Central District of California has been investigating Righter since 2016. It claims he defrauded clients of over \$758,000 by selling fake works by blue-chip artists (Basquiat, Haring, Warhol, etc.). He faces similar charges in the State of Florida after being arrested, in 2019, for theft and allegedly attempting to defraud a Miami gallery of \$1 million.

According to reports, Righter supposedly purchased fake works of art on eBay, falsified certificates of authenticity, and resold the paintings as authentic works. He went a step further by purchasing "*custom stamps featuring the insignias of artists' estates, and cited Basquiat's former dealer, Annina Nosei Gallery, in provenance documents.*"

Not only did Righter sell fake works to unsuspecting people, but he used a fake Basquiat as collateral for a loan (which he defaulted on), made art donations to charities, and even claimed to have had \$2.5 million worth of art stolen from his home.

It will be interesting to see how much time he actually gets.

Fordjour vs Blumenthal - A lawsuit between artist Derek Fordjour and Robert Blumenthal Gallery is making its way through the courts. According to an article in Artnews, the gallery originally paid the artist \$20K for 20 works and only received 13. Now they want the other 7 pieces, or \$1.45M. Guess Fordjour is one of those artists that went from nothing to something very quickly ... those stories always amaze me.

This whole thing seems crazy. Why doesn't Fordjour create 7 works for the gallery that gave him early support, and then move on? The biggest winners here will be the attorneys.

On a side note, back in 2015, one of the artist's works – *Untitled (Girl with Trophy)*, 2015, 60 x 52 inches – brought \$8,125. Four years later (2019), his *Green Horn* (from 2014, 60 x 40 inches) made \$169,293. Now that is an impressive increase.

We will pass on any updates as they become available.

Thieves Target Notre-Dame Amid Lockdown - Ok, first things first – I hope you and your families are all safe, but please STAY HOME! And if you have to go out for any reason, remember social distancing! Do your part, in these difficult times, by doing nothing!



Now, onto some art world news... While Paris, and most of the world, is shut down in an effort to stem the spread of Coronavirus, some folks are simply not observing the orders to remain inside... in fact, two individuals even went as far as to take advantage of the situation by targeting Notre-Dame Cathedral, now that restoration has been halted. The two men were spotted by guards and taken into custody as they attempted to steal various stones from the damaged structure. According to a spokesperson, the thieves likely intended to sell the stones on the black market and are facing charges of attempted theft.

Swiss Museum Reverses Course On Restitution For Nazi Era Acquisition - The heirs of prominent museum director and art critic, Curt Glaser, were finally awarded a settlement from the Kunstmuseum in Basel, Switzerland, for more than 200 prints and drawings estimated to be worth more than \$2 million. The museum will pay an undisclosed sum and keep the works by artists including Henri Matisse, Max Beckmann, Auguste Rodin, Marc Chagall, and others.

More than a decade ago, the city originally rejected the restitution claim for works that Glaser unloaded before he fled Germany in 1933. The initial position was that the museum made the purchase of the works in good faith at auction in Berlin, and paid market prices. That was until Swiss media uncovered documents that suggested the curator for Basel's public collections at the time were told to "make cheap acquisitions," and these purchases were described as "fire-sale prices." While pressure mounted to review the claim, other museums and collectors began agreeing to retribute works, ultimately leading the president of Basel's Art Commission to revisit the case.

Experts speculate this may be a sign of Swiss museums being more willing to engage seriously with Nazi-era restitution claims.



Another Art Theft? This Time A Van Gogh - News just broke that early Monday morning, thieves smashed the front door of the Singer Laren Museum, Laren, Netherlands, and stole Vincent van Gogh's *The Parsonage Garden at Nuenen in Spring* (1884). The painting was on loan from the Groninger Museum, Groningen, Netherlands.

What makes this even more disturbing is that today (March 30) is van Gogh's birthday. When will this madness stop?

How To Safely Navigate The Art Market: Dusting Your Works

By: Howard

A question that often comes up is – Can I clean/dust my painting? The answer to this is yes, but you need to know how to do it safely.

If you acquired the work from a gallery, they should have had a conservator take care of any 'major' cleaning that was needed. This would include the removal of any surface dirt and old, discolored, varnish. Once cleaned, a new layer of varnish would then be applied — to help seal the original paint surface. If, on the other hand, you acquired your work from some other source (i.e., inherited a work that has been in the family for many years), you may want to have a conservator look at it to determine if it

needs to be professionally cleaned. Once completed, the work will have a bright /fresh appearance and is ready to be displayed in your home.



Paintings, unlike other items in your home, need very little day-to-day care; however, after the work has been hanging in your home for an extended period, you may feel the desire to dust it. Years ago, I was speaking with two – longtime – clients and friends. Each of them had decided that it was time to dust their works. The first, jokingly, asked if he could use his leaf blower ... we both laughed, and I told him it would be fine, but I could not guarantee that the painting would still be on the wall when he finished!! The second, in a more serious tone, asked if they could use a can of compressed air? My immediate response was you could, but you may end up blowing some, if not all, of the paint off the surface. We both laughed, and I went on to explain that what they needed to keep in mind is that the upper paint layer of a work of art is just one of many layers. Before an artist begins to paint, they cover the canvas with a layer of gesso, and some artists use more than one layer.

Then a base color is added on top of the gesso, and then the artist begins to paint. Some artists will even go over areas several times – creating thicker layers in certain areas. As time passes, some of these layers may become loose or unstable, and a strong blast of air can cause them to peel away from the canvas, leaving you an area of paint loss ... something we should all try and avoid.

While living in London during the early 1980s, I heard a fascinating story from a friend at one of the European auction houses. A dealer had attended a poorly publicized country estate sale and purchased a large Old Master painting. After the sale, the dealer wanted the painting examined as soon as possible, so he tied it to the top of his car and drive to London. Well, as I am sure you can guess, after arriving at the saleroom, he was horrified to see that the canvas was stripped of all the paint, leaving an old blank canvas ... yes, somewhere along the M5 all the paint was blown off!!! It is a shame that no one will ever know if it was a long-lost masterpiece or some sort of copy. While this is an extreme example, it does illustrate the point that strong gusts of air can cause damage to a work of art.

In a typical home, a painting should not be dusted more than once or twice a year and when you decide that now is the time, please make sure you use a sable (makeup), badger-hair, or soft white bristle Japanese brush. You should never use a feather duster as it can scratch the surface of the painting. Also, before starting, examine the paint surface. You want to make sure that there are no “active” areas ... spots where the paint appears to be lifting or peeling. If you see areas that look unstable or notice an area where the paint has come off, do not touch the work ... your next step is to contact your dealer or a conservator. As paintings age, they begin to dry out and crack (much like human skin), and there will be times when professional help is needed. There is no need to panic since most problems, when caught early enough, can be corrected with little effort and expense.



I want to stress that unless you are a conservator, never try to clean your paintings with water or household chemicals. As I mentioned earlier, most oil paintings contain a layer of gesso – many of which are water-based. If you were to use water to clean the picture, you run not only the risk of discoloring the paint surface but also reactivating the gesso, and this can cause the paint to fall off the canvas. The use of household chemicals is also a big No, No! Over the years, we have seen many works where parts of the paint surface were wiped away – something referred to as skinned or abraded. There was one instance where we had the opportunity to question the owner of a ‘skinned’ painting, and they mentioned that the housekeeper would often use one rag to dust the furniture and then wipe down the paintings. Over time those rags, soaked with furniture polish, removed layers of paint from the surface. Not a pretty sight!! Oh, and most of the work’s value was lost.

I also suggest that if you plan on renovating your home, at the very least, cover your works of art with plastic or drop cloths. It is even better if you wrap them up and place them in a closet. You will not only

avoid the need to dust the works repeatedly but might even prevent any severe damage from occurring. At times, we have seen paintings that were accidentally damaged by construction workers ... a ladder in the wrong place can make a BIG mess!!

Over time, you will find that the one item needing the most attention is the frame. Typically, the top and bottom edges of a frame will catch most of the dust, and this can be cleaned when need be; but again, please do this only occasionally. I suggest that you either use a very soft dry cloth or the same brush you would use on the front of the painting — a light dusting is all it should need. Never use water or household chemicals when cleaning/dusting the frame. If your frame was water-gilded, using a cloth with water can remove the gold, and using the wrong chemicals can have a similar effect. I probably should not say this, but if you are very careful, a can of compressed air will help remove dust from the hard to reach places. If you do decide to use compressed air, be sure to attach the extension tube, use very short blasts, and stay away from the work of art.

In closing, I will say that we rarely touch the works hanging in our home. We do not regularly dust the paintings, and only occasionally dust the frames. As they say, sometimes less is more!

The Art Market

By: Howard & Lance

While some parts of the art world are now on hold (gallery exhibitions canceled, art fairs postponed, etc.), there is still action. A few of the auction rooms decided to press on, converting their sales to online-only versions, and many art galleries are creating online exhibitions. As noted earlier, our gallery will open the Stuart Dunkel show on April 6th and are working on another online exhibit for the middle of the month.

Below is our coverage of a sale devoted to the artist Banksy, and a few interesting posts we made this month about the art market.

Sotheby's Banksy Sale – Impressive Results

As we just mentioned, even though certain segments of the art market are taking a break, there is still plenty of activity, which is very encouraging (unless otherwise noted, all prices include the buyer's premium – w/p).



On March 26th, Sotheby's held an online-only sale of limited edition works by Banksy (you remember him, the artist who caused a sensation when one of his works shredded itself just after the auctioneer's hammer came down). The sale included 25 works, and the top-selling piece was *Girl with Balloon – Colour AP* (Dark Pink). According to the catalog, this was a rare screenprint in black and pink, 2004, signed in pencil, numbered AP 21, one of 88 artist's proofs printed in various colourways, on wove paper. The piece carried a £300-500K estimate and sold for £375K (\$458K) ... not bad for a contemporary print. Coming in second was another version of *Girl With Balloon* (Screenprint in colours, 2004, inscribed with a heart in pencil, an impression outside the editions of 150 and 600, on wove paper) that was estimated to bring £50-70K and sold for £106,250K (\$130K). In case you are asking yourself, what is the difference between the two? Well, they are both

interesting items... an artist proof is a print made in the working stages of the image – the work may still be incomplete or the artist may be trying out color variations before printing the full edition. The other seemingly printed as a one-off, and did not bear the artist's signature but simply a heart in the lower corner.

Third place saw a tie – *Nola (White)* carried a £40-60K estimate while *Love Rat* was expected to bring £30-50K .. both sold for £60K (\$73K).

Of the 25 works offered in the sale, 24 sold (96% sell-through rate), and the total take was £1.076M (\$1.31M). The presale estimate range was £672-1.04M, so with the buyer's premium they beat the upper end. Also, 21 of the works sold above and 3 within their estimate ranges ... not the best accuracy rate (12%); but then again, who cares since most of the works surpassed their ranges.

Museums Seek Federal Bailout Amid Prolonged Closure

As our government still tries to get a grip on the health crisis our country (and the world) is facing, cultural institutions are pleading with Congress to include them in the impending bailout package expected to be passed. Today, the biggest player in the game – The Metropolitan Museum of Art – announced a social media campaign to bolster the efforts. According to a press release from the Met, museums are projected to lose \$33 million a day from mandated closures. Further, it is estimated that 30% of museums will have trouble reopening without immediate assistance from the government. At the Met, staff is being paid through April 4th (which is 11 days from this post)... but is expected to remain closed until July. All things considered, the Met is projecting a budget shortfall of as much as \$100 million... extrapolate that projection on all institutions, and collectively they are looking for \$4 billion! Then again, the package under consideration by Congress is a staggering \$2 TRILLION, so saving our cultural institutions is just a drop in the bucket.

Leveraging Your Art Collection

Abby Schultz's article on Penta gives a quick overview of the sort of leveraging that has been going on in the art world and whose been loaning the billions of dollars. It is not only the banks and specialty firms, but even the auction rooms are in on the action. So, the auction rooms help fund client's purchases? Gives you a slightly better understanding as to how certain collectors can pay those crazy prices.

With the current pandemic, it will be interesting to see how many of those 'leveraged works' end up back on the market at discounted prices. I have already heard about people offering pieces they recently purchased at discounts of up to 50%!

The Art Market Is Beating The Stock Market

Barden Prisant's article about the current status of the art market was recently published on Forbes.com. Barden gathered data for several artists and determined that that art market is far healthier than most other markets. He then posed the obvious question and gave a possible answer: *Why, then, would art be faring better than stocks right now? One possibility might be that those who have been pulling out of the stock market are looking for new investment opportunities. Besides, there is the added benefit that you can enjoy art in your home.*

Our gallery always stresses the need for people to buy works that they want to enjoy and live with. Over the long run, art has proven to be a worthwhile investment.

The Rehs Family
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