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## Auction season kicks off in London

London hails the first auction season of the year, setting the tone for what to expect for the art market in 2018. The ups and the downs of what was bought at the evening sales stand as a good indicator of the current health of the market and signal some interesting patterns in both the Impressionist and Modern and Post-War and Contemporary categories.

### EVENING SALES RESULTS

Auctions	Est. Not Inc. BP*	Total Inc. BP*	Total Hammer
Christie's Impressionist & Modern	£112,000,000 – 164,500,000	£114,103,000 (\$158,600,000)	£94,446,667 (\$133,700,000)
Christie's Art of the Surreal	£34,100,000 – 51,300,000	£35,729,750 (\$49,670,000)	£30,075,000 (\$41,680,000)
Sotheby's Impressionist & Modern	£91,200,000 – 111,400,000	£118,932,000 (\$163,469,655)	£103,590,000 (\$142,354,413)
Sotheby's Surrealist Art	£10,400,000 – 15,000,000	£17,069,500 (\$23,461,686)	£14,183,000 (\$19,660,000)
Christie's Post War & Contemporary	£111,400,000 – 162,800,000	£137,989,750 (\$191,028,870)	£117,725,000 (\$163,200,000)
Sotheby's Post War and Contemporary	£84,500,000 – 116,700,000	£109,292,700 (\$151,301,535)	£93,415,000 (\$129,500,000)
Phillips 20 <sup>th</sup> Century & Contemporary	£49,500,000 – 70,700,000	£98,025,250 (\$135,703,215)	£84,510,000 (\$117,100,000)

### IMPRESSIONIST & MODERN AUCTIONS

Whilst the final results of the Christie's and Sotheby's London sales proved to be record-breaking auctions for the February/March period, both sales felt somewhat thin on the ground. Though Christie's billed a handful of mid-range works that all sold well and often with a number of competing bids, the sale was lacking in a true masterpiece.

Some notable sales included a trio of works by Monet that reached solid prices, with a landscape

of Vétheuil reaching £6.5m hammer, pushing it just beyond its high estimate. A beautiful early work by Wassily Kandinsky, *Studie fur Landschaft (Dunaberg)* was chased by four different bidders, eventually selling for £5.8m hammer, again just beyond its high estimate. However, whilst these results are a testament to the market's current stability, they fell far short of creating an electrifying atmosphere.

The real story of interest of the night emerged gradually as it became apparent that the same bidder was intent upon buying each lot by Picasso (as set out in the table below), often bidding high above their estimates and eventually snapping up 8 of the 9 works on sale. Harry Smith from art advisory Gurr Johns sat in the room bidding on behalf of a mysterious client whose love for the Modern Master created a flurry of excitement that made quite the impression on the sale season. Harry Smith snapped up two of the evening's top lots, both later works by Picasso including the large

Canvas, *Mousquetaire et Nu Assis*, for £12m hammer and a painting of *Femme se Coiffant*, a portrait of the artist's second wife Jacqueline Roque for £5.8m hammer. In total the mysterious buyer, or "paddle 137", spent a total of £37,091,500 (\$51,481,518) including Buyer's Premium (almost a third of the sale's total) at Christie's, leaving onlookers in a state of anticipation as to whether he would return the following night to the Sotheby's auction room.

### PICASSO LOTS, CHRISTIE'S

Title	Estimates	Total
<i>Nature Morte devant une Fenêtre</i> , 1919 Gouache and pencil on paper, 49.2 x 31 cm	£500,000 – 800,000 (\$700,000 – 1,000,000)	£1,700,000 (\$2,359,532) £2,048,750 (\$2,843,583) BP
<i>Citron et Verre</i> , 1922 Oil on Canvas, 33 x 41.2 cm	£300,000 – 500,000 (\$420,000 – 700,000)	£320,000 (\$444,147) £392,750 (\$545,121) BP
<i>Le Coq Saigné</i> , 1947 Oil on Plywood, 81 x 99.9 cm	£2,200,000 – 2,800,000 (\$3,000,000 – 3,800,000)	£4,700,000 (\$6,523,412) £5,521,250 (\$7,663,274) BP
<i>Femme se Coiffant</i> , 1956 Oil on Canvas, 81.2 x 65.3 cm	£2,500,000 – 3,500,000 (\$3,500,000 – 4,700,000)	£5,800,000 (\$8,050,168) £6,758,750 (\$9,380,874) BP
<i>Mousquetaire et Nu Assis</i> , 1967 Oil and Ripolin on Canvas, 130 x 96.5 cm	£12,000,000 – 18,000,000 (\$17,000,000–24,000,000)	£12,000,000 (\$17,000,000) £13,733,750 (\$19,061,895) BP
<i>Paloma</i> , 1954 Oil on Canvas, 81.3 x 64.8 cm	£3,000,000 – 5,000,000 (\$4,200,000 – 7,100,000)	£5,000,000 (\$7,100,000) £5,858,750 (\$8,131,710) BP
<i>Broc et Verre</i> , 1959 Oil on Canvas, 92 x 72.7 cm	£1,400,000 – 1,800,000 (\$2,000,000 – 2,500,000)	£1,300,000 (\$1,804,348) £1,568,750 (\$21,773,62) BP
<i>Courtisans et Toreros</i> , 1959 Brush and India ink on paper, 50.2 x 65.7 cm	£900,000 – 1,200,000 (\$1,300,000 – 1,700,000)	£1,000,000 (\$1,387,960) £1,208,750 (1,677,696) BP
<i>Tete de Femme (Dora Maar)</i> , 1941 Oil on Canvas, 41 x 33.2 cm	£1,800,000 – 2,500,000 (\$2,500,000 – 3,500,000)	£1,500,000 (\$2,083,275) £1,808,750 (\$2,512,082) BP

The competing auction house, unlike its counterpart, boasted a true stand out masterpiece. Picasso's *Femme au Béret et la Robe Quadrillé*, with an undisclosed estimate of £35m was already billed to be the top lot of the sale, but after the previous evening's stirring performance for works by the artist expectations were high for whether the same buyer would return for the

piece. Sale room goers were rewarded as once again all four of the sale's lots by Picasso were bought by the same bidder and though Harry Smith kept a lower profile in the sale room he is suspected of having been placing his bids over the telephone through a senior Sotheby's executive. *Femme au Béret* sold for £44m hammer, making it one of the most highly

contested lots of the evening, along with André Derain's *Bateaux à Collioure*, which reached £9.5m just below its high estimates and Umberto Boccioni's *Testa +Luce + Ambiente* that went for £7.9m after being chased by four different bidders.

Whilst Sotheby's had more stand out pieces than the Christie's sale, more than 30% of the lots did not find buyers. The night still gave a solid performance, however, had it not been for the active performance of Patty Wong, Sotheby's

executive, bidding over the telephone on behalf of a client and the constancy of the mysterious Gurr Johns client, the outcome would have been very different. The latter, as predicted, bought all four Picasso lots of the evening (see table below), totalling £73,798,000 (\$102,428,672) including Buyer's Premium, making up 62% of the evening's overall results. Picasso emerged yet again as the main name of this season's auctions and his mystery buyer pricked the curiosity of the whole art world.

### PICASSO LOTS, SOTHEBY'S

Title	Estimates	Total
<i>Femme au Béret et la Robe Quadrillé</i> , 1937 Oil on Canvas, 55 x 46 cm	£35,000,000 (\$48,578,600)	£44,000,000 (\$61,070,240) £49,827,000 (\$69,157,882) Inc. BP
<i>Deux Femme Assises</i> , 1908 Gouache and pencil on paper, 25 x 32 cm	£1,000,000 – 1,500,000 (\$1,390,000 – 2,090,000)	£900,000 (\$1,249,164) £1,089,000 (\$1,511,488) Inc. BP
<i>Le Matador</i> , 1970 Oil on Canvas, 46 x 114.3 cm	£14,000,000 – 18,000,000 (\$19,450,000–25,010,000)	£14,500,000 (\$20,125,420) £16,521,500 (\$22,931,181) Inc. BP
<i>Tete de Femme</i> , 1963 Oil on Canvas, 73.8 x 55 cm	£5,000,000 – 7,000,000 (\$6,950,000 – 9,730,000)	£5,500,000 (\$7,633,780) £6,360,500 (\$8,834,098) Inc. BP

### POST-WAR AND CONTEMPORARY AUCTIONS

A different story emerged as the Post-War and Contemporary sales went underway. Whilst the Impressionist and Modern auctions were being carried by a few choice masters, the diversity of works being competitively sought after in the Post-War and Contemporary sales indicate a strong trajectory for the market in 2018. At Christie's, for example, 48 artists were represented in the 64 lots of the Post-War and Contemporary evening sale, compared to just 33 of the 65 lots in the Impressionist and Modern evening auction.

Nonetheless, the Contemporary sales failed to inspire a feeling of wild excitement. The auctions were solid but not thrilling, despite the fact that Christie's achieved the highest selling Post-War and Contemporary sale ever in all of Europe, with a grand total of £137,989,750 (\$191,028,870) including Buyer's Premium.

The Christie's sale was heavily supported by the evening's two top lots, by the ever high performing duo of Andy Warhol and Jean Michel-Basquiat. Warhol's *Six Self-Portraits* elicited a bidding war between Alex Rotter and Francis Outred on the phones, finally hammering down at £19.9m (\$27.8m), well above its low estimate of £16m. Basquiat's work *Multiflavours* was also chased by two bidders reaching a respectable £10.6 (\$14.8) million hammer.

Contemporary American art was certainly the evening's winner with records rolling in for works by Mark Bradford, Kelley Walker, George Condo and a high demand for the developing market of Robert Mapplethorpe, whose four self-portraits kicked the sale off to a spirited start.

The following evening Sotheby's picked up the mantle and delivered an animated performance which, though it did not reach the heights of Christie's total, served up a more exciting evening in general.

The intrigue started when, among a flurry of interest, two room bidders began competing for lot 4, Christopher Wool's *Untitled*, a large monochromatic abstract piece that with an estimate of £4.2 – £6.2m reached £9.2m (\$12.6m) hammer. This was the second highest achieving work of the night. The highest was an anticlimactic result for Peter Doig's *The Architect's Home in the Ravine*. The piece, returning to the market for the second time in two years, sold to its third-party guarantor for £13.2m (\$18.5m) hammer.

Other notable sales included two works by Gerhard Richter, the first *1025 Farben*, a multi-colour cube piece from 1974, reached £6.4m (\$8.9m), with three bids, eventually selling to Brett Gorvy. The second work, *Gelbgrün (Yellow-Green)*, sold just below high estimate for £9.5 (\$13.3) million to Amy Cappellazzo's bidder, showing a solid market for the German artist.

The following evening, Phillip's boasted what might possibly be viewed as the week's trump card. Stepping up their game to a level of serious competition with the two larger auction houses, Phillip's 20th Century and Contemporary sale became their highest grossing sale ever, including New York, reaching £98,025,250 (\$135,703,215) including Buyer's Premium. Their staggering total was largely due to their night's top lot Picasso's *La Dormeuse*, estimated at £12 – 15m. The piece elicited up to six different bidders and eventually went to the telephones for £37m (\$51.6m) hammer.

Eyes roamed fast around the sale room to spot whether Gurr John's Harry Smith had made a return to bid on another of the Spanish master's works but the art advisor was not to be seen. However, it is likely that after his high-profile bidding performance the week before, he switched his tactics and elected to avoid the sale room all together and place his bids over the telephone. He had stiff competition, however,

due to the work being of exceptional beauty and artistic importance. It was spiritedly fought over for almost 15 minutes by a number of buyers.

Meanwhile, the rest of the sale included masterworks by a range of artists from Matisse to George Condo, all of which sold with gusto at high prices, with only a few disappointing results for smaller works that failed to find buyers.

Overall these two weeks of sales have proved that the art market is in a solidly healthy state, with established artists such as Richter, Warhol and Condo holding the helm against newer, more contemporary artists.

**\*BP stands for Buyer's Premium**, the additional charges added by the auction house to the final bidding or hammer price.

## The Importance of Art Due Diligence in an Opaque Market

The idea of faking a work of art is not a new one. An anecdote from Vasari's *Lives of the Artists* describes how the young Michelangelo carved a sculpture entitled *Sleeping Cupid* which (depending on who you believe) either he or the art dealer Baldessari del Milanese then aged artificially and sold to a cardinal as a Roman antique. Adding insult to injury, Michelangelo then discovered that not only had the dealer passed his work off as an antique, the artist had been paid 30 ducats for his troubles and the dealer had then sold the work on for 200 ducats, shorting Michelangelo by 170 ducats.

What is most striking about this story is that, outrageous as it might seem, it is not an unfamiliar idea. The art market is notoriously difficult to navigate, littered as it is with obscure traditions and an almost complete lack of regulation. In these murky waters unscrupulous dealers, agents and collectors prey on the unsuspecting and, given the purchase prices attached to many works of art, it is more important than ever to carry out as much due diligence as possible.

### WE ALL ASSUME THAT FAKES EXIST, BUT HOW COMMON IS THE PROBLEM?

Much greater than we realise – Georgina Adam, author of *Dark Side of the Boom*, describes her surprise during her research and conversations with the FBI on the subject on discovering that, quite apart from the high profile cases, many fake works of art, in particular Modern works on paper, are being sold online for small amounts of around \$5,000, to unknowing or inexperienced buyers who take the seller at their word and perform no due diligence checks on the works.

One of the most high profile cases of art forgery to emerge in recent years is that of Knoedler gallery and its former director, Ann Freedman. The gallery, before it closed in 2011 amidst lawsuits for fraud, was one of the oldest American galleries still operating, founded in 1846. Its name was trusted amongst collectors around the world. In 2011 it was discovered that a slew of works sold by the gallery between the years 1994 and 2008, including works by Mark Rothko, Jackson Pollock and Robert Motherwell, were in fact painted by a Chinese artist named Pei-Shen Quian living in Queens. Freedman, who had been director during those years, had been sourcing the works from a woman named Glafira Rosales, who claimed to be working for an anonymous collector who came to be known within the gallery as Mr X.

The collectors Domenico and Eleanore De Soles, victims of the fraud who had purchased a 'Rothko' from Knoedler for \$8.3 million, sued the gallery, Freedman and the gallery's holding company, 8-31 Holdings, for triple damages. During the trial their lawyers focused on six 'red flags', which serve as good examples of the kind of due diligence a collector should expect when purchasing a work of art:

"Freedman knew nothing of Rosales before she came into Knoedler and had no reason to trust her; no one had ever seen or heard of the works Rosales was bringing in, and there was no documentation— receipts, sales records, photographs— to corroborate their existence; Rosales offered the works at "bargain-basement prices," and Knoedler made massive profits in selling them; Knoedler paid Rosales for the works partly by wire transfer, partly by cheque, and partly with a cash payment

usually just under \$10,000, the federal bank reporting requirement; Knoedler and Freedman not only didn't know Rosales's source for the works, they "actually made up the story about where the works came from" themselves; beginning in 1994, when the gallery sold the first Rosales work, various experts voiced suspicions about the collection."

### HOW DOES THE FINE ART GROUP PERFORM DUE DILIGENCE CHECKS ON WORKS?

As a matter of course, every work purchased or recommended by The Fine Art Group has substantive due diligence checks performed on it by our in-house team of experts.

The team will check the work's provenance and history and carry out an Art Loss Register search to double-check the work has not been reported stolen.

They will also check its authenticity, either by obtaining a certificate of authenticity from the gallery or artists' estate, or by consulting with a leading expert in the study of the artist in question. Condition checks will be performed on the work in person and any restoration or reframing work will then be carried out.

For works of art made up of restricted materials, such as ivory, or works with international compliance complications such as antiquities, further certification may be necessary and it is therefore advisable for a collector to thoroughly research what documentation is necessary and exists before purchasing a work of art.

Our in-house team are highly experienced art-world professionals, with access to a network of conservators and experts in all fields of art.

### IMPORTANT STEPS TO TAKE WHEN BUYING A WORK OF ART:

**Authentication:** Have as many people as possible confirm the work's authenticity, including leading experts, the artist's foundation or estate. Check to see if the work is included in any catalogue raisonné of the artist.

**Condition:** Have the work physically inspected, either by yourself or by a trusted advisor. Have up-to-date condition reports made.

**Title and Provenance:** Confirm that the work is in good title i.e. is the legal property of the current owner and not stolen, war loot or missing. Perform an Art Loss Register search. Additionally, research the work's provenance.

**Legal compliance:** Certain works of art are subject to legal restrictions such as cultural heritage and animal protection laws. Make sure that the sale of the work would not violate the laws of any jurisdiction.

**Valuation:** Double-check the valuation of the work by researching past sale results and other market factors. A trusted adviser is an invaluable asset.

## Art Dubai

*A must for art collectors both novice and seasoned*

Over the past 5 years, the art scene in the UAE has grown exponentially, with a steady progress of local galleries exhibiting museum quality artworks by regional and international artists. Strong gallery programs, the opening of cultural institutions, and initiatives such as Art Dubai contribute greatly to the global recognition the UAE art market has gained.

Art Dubai is the leading regional art fair and takes place annually in Dubai. Founded in 2007, Art Dubai is the pre-eminent platform to see contemporary artworks from 48 international galleries.

What makes this fair so significant is the bridging of cultures, the exchange of ideas, networking, educational programs and access to contemporary artists. Art Dubai's program offers something for everyone, whether it's just having a look around and learning about different galleries and artists or attending talks and panel discussions, the fair is much more than just a commercial exchange.

Art Dubai is the ideal platform for a novice collector to gain access to an international, dynamic market.

Salma Shaheem, joint venture partner and head of Middle Eastern Markets at The Fine Art Group, shares her top reasons why Art Dubai 2018 is a must attend event for art collectors, both novice and seasoned.

- Art Dubai is an excellent opportunity to view artworks and learn about the current contemporary art market.
- Art Dubai's educational program has so much to offer; whether you are new to collecting or not, the art market is constantly growing and changing and this is a great opportunity to learn and participate.
- At Art Dubai, one can find and acquire unique artworks.
- Art Dubai is a platform for primary market pieces; acquiring works from the fair positively affects the market for these artists.

Visiting an art fair such as Art Dubai is very important for a novice collector because it is a glimpse into the international art market. Art enthusiast or otherwise, I encourage everyone to visit Art Dubai, and explore the art market.

Article by **Salma Shaheem**

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