

Art World News

APRIL 2011

THE INDEPENDENT NEWS SOURCE

CHICAGO DEALER ACCUSED OF FRAUD

U.S. Postal and FBI agents removed works of art from the Kass Meridian Gallery in River North, Chicago, in early April. The gallery owner and an employee, as well as a New York art distributor, have been indicted on federal fraud charges for allegedly producing and/or selling counterfeit limited edition prints by Dali, Chagall, and other Masters in a scheme that dumped thousands of counterfeit prints onto the market. Article, page 23.

WILD APPLE IS A GREAT PLACE TO WORK!

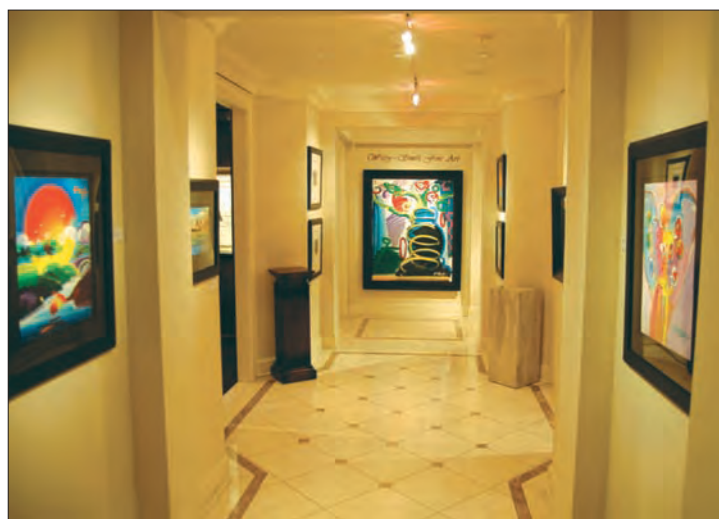
Wild Apple, Woodstock, VT, publisher of open edition prints owned by John and Laurie Chester, is ranked one of the best places to work in Vermont in the small- to medium-sized business category. About 25% of the evaluation was based on workplace policies, practices, and demographics, and 75% on an employee survey. See page 23.

ARTEXPO NEW YORK AN ENCOURAGING SHOW

Artexpo New York was a much better show, with a lighter mood than in the previous two years as if those attending feel the worst is over. Galleries that came to the three-day show in late March on Pier 94 bought more, with less emphasis on consignment—something that is a very encouraging sign for the industry. Clearly there is a long way to go, but no doubt there is improvement. The full story begins on page 18.

KEN ORTON TO EXPAND GALLERY NETWORK

Ken Orton is expanding his dealer network and looking to work with more galleries in the U.S. to represent his paintings and prints. Select galleries will be provided territories. The English-born artist is self-published, except in the U.K. where his work is represented by Washington Green, and his oil paintings available only at Harrods of London. Turn to page 18.



Nim Vaswani of The Road Show Company opens Wisby-Smith Fine Art in Dallas, a 4,600-square-foot gallery.

GALLERIES BENEFIT FROM ART AUCTIONS

Art auctions—either held in the gallery, at a different location, or online—have proven to be a lucrative way for galleries to bring in new buyers, whilst also providing an extra service to existing collectors. At the same time, they reduce inventory taking up valuable space. Auctions feature large amounts of artwork that, for one reason or another, is no longer viable on the showroom floor. These events can breathe new life into a gallery by providing much-needed cash flow while adding a new dimension to the business itself. “Auctions offer galleries a chance to move slower selling artwork, and the cash generated allows them to purchase better selling product, reinvest the money somewhere else in the business, or even just survive in some instances,” says Sage

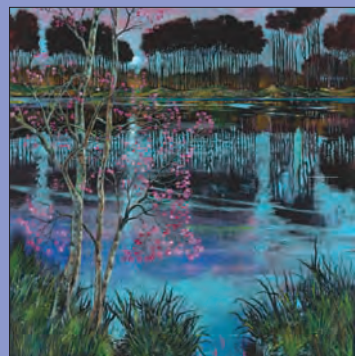
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Jamali's untitled #10645, pigmentation on cork, 57 by 79 inches. See page 12.

IDENTIFYING FRAMING OPPORTUNITIES

Industry veterans discuss how frameshops can tailor their businesses to the new economy, page 29. New framing products, page 31.



ATLANTA—An exclusive showing of the work of **Ford Smith** was hosted in April by **Servcorp**, provider of executive suites and virtual offices to mobile business professionals, Fortune 500 companies, and other businesses worldwide. Says **Cristi Smith**, co-owner of **Ford Smith Fine Art**, Roswell, GA, “With Servcorp, Ford’s ‘collector’ happens to be a corporation comprised of art enthusiasts who are passionate about his art. Their enthusiasm for what his paintings lend to their environment made them eager to share it with clients, colleagues, and neighbor businesses. Ford was able to meet and mingle with these qualified art prospects who would never have otherwise had this opportunity to view his work and establish a personal connection.” Additionally, Servcorp being an international company, Mrs. Smith notes, “Ford is their primary artist in each new location, so their clients from 20 countries are surrounded by his paintings every day. This worldwide introduction to the art inevitably leads to new collectors. With the American economy still teetering, this is a tremendous opportunity.” Shown is the artist’s new acrylic, “Serendipity Moon,” 48 by 48 inches, \$18,500 retail. For more on his art, call (770) 552-5942 or visit: www.fordsmithfineart.com.

ART AUCTIONS BRING IN NEW SALES

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Stark, gallery director of American Visions Art Gallery in Folsom, CA.

Eric Dannemann, president of Martin Lawrence Galleries, with 10 locations throughout the U.S., feels that while auctions have several benefits, success depends on various factors. “The dynamics for a successful auction contain many elements that must work symbiotically, such as offering great artwork at a great value, contagious energy from art consultants, a professional auctioneer, and, most importantly, a sense of urgency. Consultants must impart to clients that if they wish to own a work of art in that season’s auctions, it is imperative that they seize the opportunity now.”

Martin Lawrence Galleries holds several auctions a year around the country. The Spring 2011 schedule alone includes five auctions in cities such as New York, San Francisco, and New Orleans. Summer of this year marks the opening of the company’s eleventh gallery in Las Vegas. Ideally, auctions offer galleries an outlet to clear out some inventory, making room for new, fresh works of art. **Cristi Smith**, owner of **Ford Smith Fine Art**, Roswell, GA, has spoken with a number of the galleries carrying the work of

Ford Smith regarding auctions, and has learned that many collectors appreciate having a new way to grow their collections. “By keeping the guest list limited to your current collectors or top prospects, you’re practically guaranteed success,” she says. “These are the people that have bought art from you in the past and, in the case of your top prospects, could likely buy in the future. To that end, you are providing them an exclusive opportunity to acquire art at what

so. This works much, much better than hosting an event with a large number of general audience visitors about whom you know very little.”

Richard Hart, owner and principal auctioneer at Baterbys Art Auction and Gallery, a full-service gallery and auction house in Orlando, FL, notes that his business is in a highly tourist-trafficked area, so he uses auctions as a way to connect with many of his local collectors, keeping them engaged and edu-

cated. “Twenty-five percent of our sales come from auctions,” Mr. Hart says. “Most of our auction clients are collectors from our retail gallery. Those that buy from our auctions are always looking to learn

more about art. Auctions have to be a part of the gallery, and they have to be educational and informative.” Baterbys is housed in a 10,000-square-foot space that features unique walls, designed to swivel out of the way to make room to accommodate 150 seats for attendees of auctions. When an auction is over, the showroom can be put back to display the artwork.

Creating an “experience” different to what people would get at the gallery alone, is important to the atmosphere, says Stoney

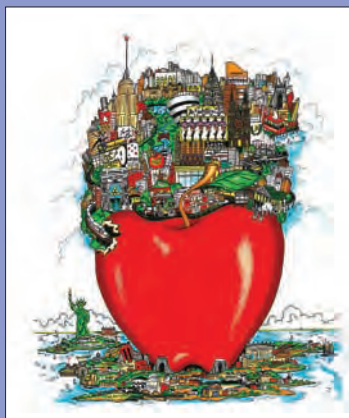


Martin Lawrence Galleries holds its auctions in high-end hotels, local to their gallery locations.

could be an exceptional value. Before the auction even begins, the collectors and prospects have been enticed and highly motivated by the pre-set opening bid prices they see in the booklets handed to them as they arrive, and the atmosphere becomes highly charged. Aside from the potential to save money on art, here you have a gallery brimming with passionate collectors, and competition is sparking. And then the bidding begins! At times, the competition can become extremely lively and quite entertaining for all in the room. Keep in mind that the number of guests should be fairly modest, say fifty or

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FAZZINO WORKS WITH STUDENTS ON FORT LAUDERDALE CENTENNIAL MURAL



NEW ROCHELLE, NY—**Charles Fazzino**, who enjoyed an exhibition of his work at The Museum of Art/Fort Lauderdale that kicked off the city's 2011 Centennial Celebration, is now giving his time to work with students at Fort Lauderdale High School. Named official Centennial artist, Fazzino is helping the students create a City of Fort Lauderdale Centennial Legacy Mural installation. A grant was awarded to artist and high school art teacher Brian Fitzgerald to fund the mural, and his students researched the city's history, changing landscape, culture, and celebrations. All components, combined with students' personal experiences, were woven into the final design. Fazzino has been working with and inspiring them through distance learning and classroom mentoring, and also "wowed" them with visits to offer tips on how to apply paint skillfully to give depth to their artwork, and really make the mural pop.

Shown is Fazzino's new print release from **Museum Editions**, "Apple-Y in the Center of it All," 13 by 16 1/2 inches, edition of 300 retailing for \$900. Call (914) 654-9370, www.fazzino.com.

AUCTIONS
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Goldstein, executive vice president of sales at Park West Gallery. The company, headquartered in Southfield, MI, holds auctions in its gallery and at sea. "Auctions are effective because clients enjoy the experience—from the preview to the bidding to seeing the presentations—and that certain indescribable energy that only an auction can provide. In a gallery, artworks may hang on a wall for months waiting for a collector. An auction is not only a fun and exciting event, it also helps clients evaluate what works they are interested in collecting and a price point at which they are comfortable spending more quickly; especially when there are 300 other people there who may be interested in the same artworks."

Making an auction special helps create ambiance. "We absolutely take pleasure in offering clients an elegant setting for our live auctions," Mr. Danemann says. "They are typically held at very high-end hotel ballrooms or interesting city venues around the U.S. and in the general vicinity of a local Martin Lawrence Gallery. The idea is for clients to enjoy a night out on the town while also having the opportunity to add to their art collection."

Gallery staff play a big role in generating excitement centered around the event. "Auctions give the

staff heightened energy," says Giovanna Stark, owner of American Visions Art Gallery. "It feels like lots of action is going on, even though there may only be a few bidders. Everyone gets excited—from the artists themselves who feel it draws added attention to their pieces to the retail community around us who express that they get some of the pulses of energy coming from the attraction of the auction."

Alexander Salazar, owner of Alexander Salazar Fine Art and Auctions in San



Baterbys Art Auction and Gallery, located in Orlando, FL, features walls that can be moved to accommodate both a gallery and an auction house setting.

Diego, saw the benefits of holding art auctions early on in his business model as a way of appealing to all types of collectors. He opened the gallery space in 2010, followed a few months later by an auction house nearby. "I have found that some collectors never buy at galleries, but prefer to acquire at auction because of the feeling that they are getting a better price." Mr. Salazar's auction house oftentimes holds events tied in with local charities.

Rules for auctions do need to be set in order for people to know that the art-

work is a once in a lifetime opportunity. "First, do not skimp on the auctioneer, the food, or the drinks for your esteemed guests," Mrs. Smith stresses. "It's a unique and exclusive event and should be treated as such. Hire a professional auctioneer and enough help to ensure that the art is moved quickly and seamlessly. Second, make auctions a rarity for your gallery. This sort of event should be extraordinary and exceptional. The last thing you want to do is to train your clients to wait for an auction to make a purchase. My advice is to consider hosting one no more than every other year, or possibly just the one time." She also notes that, since you've hired the auctioneer, use this opportunity to pick his/her brain on how to be successful in an auction.

Listen to the auctioneer when he gives you advice about how to prepare for the auction (booklets, paddles, how to efficiently handle the many financial transactions, etc.). While an auction creates a lively and bustling atmosphere, it should be meticulously organized and executed."

Many galleries also find that sticking to stricter rules, such as no layaway or in-house financing on auction pieces, lets collectors know that there is a difference between this sale and ones

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FRAMING BUSINESS

GILDED MOON

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lining the renovation plans for the bank building. After receiving full approval, support, and praise from the planning board, the Chomas began renovations which included making the building energy efficient, complying with ADA (Americans with Disabilities Act) guidelines, restoring the original hardwood floors and fireplace, updating all windows, unearthing and restoring original architectural details, creating a "children's nook" in the bank's vault, updating to energy efficient lighting



@ianjphoto.com

A quiet seating area where clients can browse through catalogues and magazines.

and putting in new air conditioning. In addition to these updates and renovations, Jill and Paul turned to Greg Perkins of Larson-Juhl to assist with the retail layout,

lighting, and paint color selection. Their goals with this huge undertaking were to include a larger custom framing workspace, consolidate cutting and joining operations, and to utilize new outdoor spaces for events. A sculpture garden is also in the works on land owned by the Chomas. It will be a collaboration between them

and Eckert Fine Art, Kent, CT, which is relocating to Millerton. Located two hours from New York City where Connecticut, Massachusetts, and New York meet, many of Gilded Moon's customers are second home owners. Retail prices for custom framing range from \$170 for a basic metal frame and double mat to \$1,200 for a water gilded frame with a fabric liner, fillet, and matching fabric mat. The average ticket price is \$400 to \$500. To reach Gilded Moon Framing, telephone (518) 789-3428 or visit the website at: www.gildedmoonframing.com.

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done in the retail gallery. The build up to the event is important. Mr. Goldstein suggests “hosting a well-staffed auction preview in which clients can view the artwork, ask any questions, etc. Most people who bid at auctions have likely previewed the artwork and determined that they are going to bid before the item makes it on the auction block.”

At CFM Gallery, located in Chelsea, New York City, auctions are held online-only. “We don’t hold the auction in the gallery. All of the bidding is done online,” says owner Neil Zukerman. “We usually run the auction through our website, but recently held one using eBay. It worked out really well, because I didn’t have to keep track of the bidding. It does cost a little to use eBay, but the amount of time and effort that I did not have to put into running the auction made it worth it.”

When choosing artwork for the auction, galleries often have different criteria, but diversity is important. “Auctions need a careful balance of artists, styles, and mediums,” says Giovanna Stark. “Some pieces in the mix need to be highly desirable—yet you don’t want to put a valuable piece of art into the mix if that artist is going to be coming to the gallery in the next few

months. We have to be careful to not devalue the work of any of the artists that we have. So the selection is balanced, we will have a few pieces that we would be glad to move out, and a few pieces we can sell knowing we may not make a profit.”

Auctions at Park West Gallery feature different numbers of work, depending on the type of event. “There is a large range,” says Mr. Goldstein. “I’ve

certain customers. Some states require the auctioneer to be licensed after attending a state-recognized auction school. “I have found that an educated and passionate and fun auctioneer can make bidders raise their paddles,” Mr. Salazar adds.

“Galleries need an experienced auctioneer who is not just a ‘bid caller’ but someone who can present the artwork effectively, is well-spoken, has taken the

shaped gallery owners Norah Lynne and Alan Brown’s mind set. “We held our first auction in 1977 when we were approached by a woman that ran a local charity,” Mrs. Brown says. “We knew absolutely nothing about it and were intimidated at first, but she was persistent. We hired a major auctioneer to run the event. Right away, he began taking bids off the wall—essentially, he was faking bids. Our ethics were reeling. These were our collectors that he was lying to and we were livid. At the end of the auction, he got to leave, but we had to still face our customers and if they lost trust in us, any future business would have been lost.”

The auction, in fact, turned out to be highly successful for the gallery and the non-profit involved, the Browns knew there was something to them, even after the bad experience with the auctioneer. “We knew that we wanted to do more of these events and sent Alan to auctioneer school.” Mr. Brown received a CAI (Certified Auctioneers Institute) and AARE (Accredited Auctioneer of Real Estate) designation from University of Indiana. Outside of the gallery, he also donates his time as an auctioneer as a community service. The Browns also specifically buy work for auctions. “When we are looking for art to buy



Celebrating it's 42nd year in business, Park West Gallery holds monthly auctions featuring hundreds of pieces of art.

seen auctions with six works of art, and auctions where 1,000 pieces were made available. There needs to be a balance of enough selection versus overloading clients with too many choices. My recommendation is around 250 works at a preview, followed by an auction limited mainly to works that are requested in the preview.” Hiring a professional, accredited auctioneer elevates the event, and often-times, helps en-

time to educate themselves extensively about the artworks, will conduct the auction with utmost integrity, and will keep the audience engaged and interested in the artworks being presented,” says Mr. Goldstein.

Gallery One in Mentor, Ohio, has been in business for 37 years. Since then, they’ve held hundreds of auctions, but it was their first foray into this different way to sell art that really

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for the gallery, we may come across something that we know will work really well in an auction and we will buy it specifically for that purpose," Mrs. Brown says. "Sometimes we'll make an exceptional buy of something, and put it aside for the auction." Gallery One also includes their website in the auctions. "The last few auctions that we have had were very poorly attended, but despite that, we ended up having the biggest volume of sales ever. We run so much of the auction on our website and in the gallery simultaneously that we have been able to include, not only locals, but also collectors that are not in our area." She notes that many of the online bidders are locals that just felt like staying at home. "These online bidders already know us as a gallery with quality work, so they feel confident."

Mr. Zukerman uses auctions strictly as a way to rid his gallery of miscellaneous pieces, something he is honest about to his customers. "Those buying from our auctions are generally existing clients—in fact about 85% are regulars. When presenting the work to clients, I let them know that this is miscellaneous work and here is an opportunity to get some bargains. For us, no education is needed. One big rule is to

always be honest. Auctions help me to reduce my inventory of those items no longer germane to what the gallery is doing."

For Mrs. Brown, choosing artwork for auction is ever-changing. "Maybe it's an original done years ago by one of our gallery artists, and the style is slightly different. That would be a perfect piece for an auction. It gets the artist's existing collectors excited and allows

A bonus effect of holding auctions is that it reinvigorates a collector's interest in other pieces in your gallery.

them to obtain a rare piece of work. An auction also allows an item to be priced the way it should be because the public is setting the price. It's a valid representation of what the price should be." Charities can play a big role in a successful auction as well. First, it allows the gallery to do fundraising work, whilst also bringing new people into the gallery. Park West recently did an auction for the Florida Caribbean Cruise Association Foundation, and raised nearly \$30,000 for their children's outreach programs to the Caribbean and Latin America. At American Visions Art Gallery, Giovanna Stark touts the advantages of getting the artists involved to create a buzz.

"When we do a show with Michael Godard, he'll start the evening with a sketch that he then auctions for his favorite charity. Sometimes the piece will sell at a high price, other times it will be lower, depending on the mood, the audience, and the times. All the funds for this piece are given to the charity, but it gives the evening a great feel and people get into the spirit of things. For Godard, it's a highly personal touch that connects

him right away to the very large group of people who have come to the show."

Sage Stark warns of auctions that may not live up to expectations. "There are some downsides to auctions, such as receiving offers that may not fit the galleries' desired profit margins. This can often be corrected by setting a disclosed, or undisclosed, reserve price. Depending on how the auctions are structured, a bidding client may be able to withdraw their offer and create a bit of a dilemma. Having tight requirements on participating in the auctions may solve this problem, but allowing customers to easily bid without collecting too much in-

formation makes everybody feel welcome to participate."

As an added service to loyal collectors, some galleries hold auctions to help sell someone's personal collection or estate, with the gallery getting a percentage of the sale. A bonus effect of holding auctions is that it reinvigorates a collector's interest in other pieces in your gallery. "We found that our clients pay attention to all the artists in the auction, even though they browse through the gallery often and might just pass them by," says Giovanna Stark. "One client came in to look at some of the other sculptures we had by Todd Warner. We've had his work in the gallery since the day we opened eight years ago, and yet our client hadn't paid that much attention to the collection."

Another perk is getting your customer's undivided attention. "Auctions allow the gallery to get a large number of people together at one time, and have them captivated for an hour or more," Mr. Hart adds. "If the event is done by professionals, and in an educational manner, the audience will become enlightened and in a position of knowledge to make that decision to bid, and ultimately own art themselves, without being sold too."

Koleen Kaffan is Managing Editor of Art World News.