

## Taking Stock: Art units are not picture-perfect investments

by Malcolm\_Berko

Dear Mr. Berko: While visiting a friend in San Francisco, I was introduced to her friend, who owns a successful art gallery. He is offering me an investment in an art unit. Each art unit costs \$45,000 and contains nine paintings by nine different artists. This sophisticated, knowledgeable, sincere and very successful gallery owner passionately believes that each art unit (there are 21 units being sold) has the potential to increase at least tenfold in the coming 10 years. My friend and her son have each bought one art unit and a common acquaintance whom we know has bought three art units. There are two units remaining and this kind gentleman is holding one for me without obligation. If you believe that art is a good, solid investment I'd buy this.

M.W.

Springfield, Ill.

Dear M.W.: My 12-year-old granddaughter likes to dabble with oil on canvass. She paints a fair garden scene with a delightful mix of shades and colors. It seems to me that if some idiot is willing to pay \$10 million for a Cezanne of a similar subject, then my granddaughter's oil should be worth a couple million. If she had a good gallery behind her, if the critics extolled her style and if a known collector (sucker) would pay \$100,000 for her canvass, the next piece might sell for a million as the flits and elite effetes of the art community praise a newly discovered artist.

Talent and skill have little to do with the value of a canvas. Rembrandt's self-portrait valued at \$30 million was just discovered to be a fake so its value plummeted like a Steinway falling down a mine shaft. What does an art expert/critic really know? Remember the fools who were convinced to pay tens of thousands of dollars for oils completed by elephants and chimps because the critics believed the animals "had something to say?"

Rembrandt, Cezanne, Picasso, Rubens, Van Gough, Warhol and all of those other folks are no more talented than Thomas Longo, Dillon Mothers, Judy Epts or Shasa Willouby, whom nobody knows. However, each of those faux-artists would be able to demand a quarter-million for their works if they could employ a skilled PR firm with several million in cash to buy the critics make "nice-nice" to the elite effetes.

So the value of a canvass is not relative to the skill or talent of the artist but rather to the skills and talents of the people promoting the artists. The value of a canvas is as subjective as the taste of potato salad, beer, barbecued ribs or fruit pies.

The literature you sent reads like a travel brochure - its eloquence surpasses Shakespeare and Longfellow

but it's a worthless read as an investment guide.

This "very sophisticated, knowledgeable, sincere" gallery owner is offering those art units at \$45,000 because his gallery can't sell the pieces represented by those units of ownership. I suggest that you check his bona fides via the Art Dealers Association of America, which is run by a gaggle of oversensitive, eccentric, spectral, weirdos who, like art critics, take themselves seriously. But they've got the dope on this fellow and it's a must-read. The ADAA are good people but a bit out of touch with reality, as are most aficionados in the art world.

I won't offer negative comments about this gallery owner, but I will suggest that a tenfold increase in this investment kind of stretches the limits of credulity. I will also suggest that you got to be dumber than a bowling shoe (and so is your friend) if you drop 45 grand in this art unit.

However, I think the ADAA may be happy to hear from you and I think they may give you the same (don't invest) advice that I'm giving you. Suffice it to say that many people in the business end of the art business are super-connivers.

Frankly, the best way to make a buck in this business of representing and promoting artists is to be a sophisticated and admired charlatan. Admittedly, cunning, wiliness, artifice, posturing, guile and peacockery are among the most important skills necessary to profit in this wantonly whimsical metier.

As a result, the art world attracts more delightfully articulate bunko-artists and personable frauds than garbage scow attracts flies. It can be a real hoot to rub shoulders with these pubertal personalities especially if you enjoy recreational drugs, love yourself and have money.

Please address your financial questions to Malcolm Berko, P.O. Box 1416, Boca Raton, FL 33429 or e-mail him at malber@comcast.net.

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