

360 Speaker Series

The New Art World Panel Discussion: Amy Cappellazzo, Paul Schimmel, Stefan Simchowicz & Sarah Thornton

Presented April 16, 2016 at Nasher Sculpture Center

Anna Smith: Hello and welcome to the 360 Speaker Series. I'm Curator of Education Anna Smith, and I thank you all for coming to what promises to be an exciting and timely discussion.

About a year ago, following a discussion about how best to capture the energy of the Dallas Art Fair in our 360 Speaker Series programming, our Director, Jeremy Strick, came by my desk wearing an expression that our staff has come to recognize as the indicator of a particularly clever idea. That idea was to bring together several figures at the forefront of the art market whose approaches to working with artists and collectors represent new models for the distribution of culture, and I think we've assembled an impressive array of panelists for you today.

Amy Cappellazzo is Chairman and Co-Head of the Fine Art Division of Sotheby's, which in January 2016 acquired Art Agency Partners, the client-centric advisory firm she founded with Allan Schwartzman and Adam Chinn. She previously served as a market leader in the field of contemporary art during a tenure of almost thirteen years at Christie's, where she rose to the post of Chairman of Post-War & Contemporary Development.

Paul Schimmel, former Chief Curator of the Museum of Contemporary Art Los Angeles, is partner and Vice President of Hauser Wirth & Schimmel, which opened in March of 2016. This new venue offers innovative exhibitions, museum-caliber amenities, and a robust schedule of public programs that contextualize the art on view, drawing upon, illuminating, and contributing to the urban culture of L.A.

Stefan Simchowicz has produced 15 feature films, including the award-winning independent movies *The House of Yes* and *Requiem For a Dream*. He currently specializes as an independent consultant and curator to foundations interested in pursuing the exhibition and expansion of public or private contemporary art and architecture initiatives.

Our panel moderator, Sarah Thornton, is a writer and sociologist of art. Formerly the chief correspondent on contemporary art for *The Economist*, Thornton has written for many other publications including *Artforum*, *The Guardian*, and *The New Yorker*, and has contributed to broadcasts at the BBC, NPR and ZDF. She is the author of *Seven Days in the Art World* and *33 Artists in 3 Acts*.

I'll turn things over to Sarah now who will present the framework for today's discussion. Please join me in welcoming Amy Cappellazzo, Paul Schimmel, Stefan Simchowicz and Sarah Thornton.

Sarah Thornton: Thank you so much, Anna, and thank you so much, Jeremy. And thank you all for coming. I thought I would reintroduce our panel because I've been looking forward very much to this afternoon and thinking about the different roles these players inhabit in the art world. And I came to the conclusion that in terms of style, if not substantive politics, and I think probably not in substantive politics, that Stefan is our Donald Trump of the art world. He is a shit disturber...

Stefan Simchowitz: I'm voting for Hillary just for the record.

ST: Only in terms of style, of course. He's anti-establishment, shit disturber and has an affinity for the media.

Directly on my right, we have Hillary Clinton, you know running a major institution, safe pair of hands, not exactly representing the establishment but because as the first woman president that would be a, you know, a little twist on the establishment anyway.

And then, in the middle here we have Paul Schimmel as Bernie Sanders.

Amy Cappellazzo: Feel the Bern!

ST: The man of the artists' community. Particularly in his job at MOCA Los Angeles but also with Hauser Wirth & Schimmel.

So having said that, I'd like now to narrow down the conversation to some serious policy issues and that is the sculpture market. Panels about the art market are kind of a dime a dozen nowadays but I rarely read stories or see panels that really focus in on sculpture and what better occasion could we have than at a panel in the Nasher Sculpture Center.

So what I was hoping we'd talk about today and we do very much want to open it up to the audience, so do take notes, jot down your questions, be prepared when we open up.

But some of the questions we'll deal with are how is the market for sculpture different from the market from painting; does the acquisition of sculpture distinguish the collector as "serious"; and if the dynamics of validation are different for sculpture, what are they?

But to start, perhaps we could kick off with some basics. Amy, what percentage of your average evening sales consists of sculpture and what kind of sculpture sells well at auction?

AC: I never think of it that way, but, I don't know... 20-25% maybe. Right something like that

Paul Schimmel: Less probably.

AC: It's a good-- maybe a little less. Well, I will say this in the Impressionist and Modern market it's now more than it historically was because sculpture was sort of, both in the market, subservient to painting certainly and as paintings are harder and

harder to come by in the Impressionist and Modern market because they're gifted to museums and are less in circulation. It's been this major rise for the marketplace of sculpture in that field.

It's probably, like, more of a parallel circumstance in the contemporary field whereby sculpture didn't have quite the row to hoe for recognition in the contemporary market as it did in the Impressionist and Modern side. But you know, then I think of things like sometimes I think Fontanas are really sculptural. I think of them as sculpture even though they hang on the walls. So you know, I suppose the definition needs to be a little elastic to accommodate.

What was the next question?

ST: What kind of sculpture sells well at auction?

AC: Commercial ones.

ST: What makes it commercial? Well you know we know commercial painting might be a certain size and red. And feature a woman rather than a male nude.

AC: Well so there's that. What sells well? Things you can house easily. Things that fit in the elevator cabs in the most expensive buildings in the world. Things that don't require reinforcing your floor for your neighbors below. These sorts of queries...

ST: Figurative vs. abstract? Any materials?

AC: I don't know if that's... People are very conservation-minded in painting and in sculpture, so anything made of bubblegum and band aids makes people nervous compared to bronze and stone. I guess what sells well is what's good in quality, well priced, and representative of the artist's career.

ST: One thing that intrigues me is that although the percentage of lots in any given evening sale are... there are many fewer that are sculpture. Sculpture has held the record for the highest price ever achieved for a work by a living artist repeatedly. Koons: various Koons have held that mark. Damien Hirst has held that. So what's happening at the very high end with regard to sculpture? Why would sculpture hold that rather than painting?

PS: I'm not sure it does.

ST: Well maybe not now. I don't know even what the record is right now.

PS: I think there may be a few unique exceptions and yes a Giacometti... But for the most part if you kind of look at it, sculpture has a much higher challenge in terms of achieving a sort of parity in terms of the artist's contribution to the history of art than painting in general. I think sculpture, because it's expensive to make, expensive to maintain, you have to commit space in your home, in your collection, in your museums. There are very few places like the Nasher where there is such a focus and it comes with enormous responsibility. Both from on the creation standpoint and on the exhibition and conservation standpoint. There may be a few exceptions but I think if you really look at it overall, I think sculpture's always been kind of discounted

relative to the importance of the artist and their contribution to the history of art. I mean looking at it from a vantage point of Los Angeles, which up until quite recently was really dominated by a generation of sculptors. And the space was there, and the willingness to store things and put them away and keep them and wait for whatever is there. But, I always felt when you compared how many exhibitions this artist had, how influential this artist is, sculptors were even a bigger discount than living in Los Angeles as an artist.

ST: In terms of that single thing of the record price though, I mean maybe in part it related to scale because you know *Balloon Dog* is rather large. Price is related to scale at certain levels and it's rare to have paintings that command that kind of space.

Stefan do you have any comments about the high end of the...

SS: I think you've covered this ground. It's a very obvious conversation and think we've sort of covered it. I think we can move on.

ST: Okay. Let's do that.

Paul, what do you see as the differences between the primary and secondary market for sculpture? Or the private sale vs. auction sale now that you've shifted into being a dealer.

PS: Whenever I've worked on an exhibition whether it's a group exhibition or a current exhibition focusing on abstract sculpture by women, or individual monographic exhibitions and sculpture's included--Rauschenberg and Charlie Ray, Robert Gober, and Chris Burden--I've always been not sort of naive to think that if you represent an artist's work well and you bring an intelligent representation of that work to a public it makes people appreciate it more. And appreciation has all sorts of ramifications. It has ramifications in terms of what they're making and selling out of their studio. It has ramifications in terms of work they made 20 or 30 years ago. You can't really say, "Oh just because there's enormous interest in a body of work that an artist made 30 years ago there's a renewed appreciation of what's coming out of the studio today." There is some connection but not nearly as profound as the people's response to what's being made today. So I guess there is a relationship between the secondary and primary market but I don't think it's really nearly as direct as maybe even the artist would like it to be. Like, well gee! Why is that something I made 30 years ago is so much more appreciated. I mean Rauschenberg kind of never wanted to do the combine show because he was, you mean you love this kid who was 28 years old and you don't love the man who's 60 years old who's making these works today. So it doesn't, you know... The primary and secondary market are kind of different worlds.

SS: I think we need to address with sculpture the pricing of sculpture because the marketability and resale of it is difficult. And I think gallerists and artists have completely mispriced sculpture. I've produced a lot of sculpture, in fact, I produced a project by Nathan Mabry who I gifted a work to the Nasher last year, and it's extremely expensive capital intensive to produce. So galleries will generally say, "Okay how much does it cost to make this thing?" They say, \$30,000. So they have this formula it should be three times production cost. So they price it at 90. and no

one wants to buy it. You ask for a discount, they say, "Oh you can't discount." So, we need to think about sculptures... They should sell the sculpture for \$32,000 just to get it produced and realized. Though a lot of the rationale with the distribution and production of sculpture is that the galleries are stuck in this ridiculous, inflexible system where they price sculpture as a multiple of production costs. So with sculpture, because it's capital intensive, we need to get rid of the friction associated with the distribution of that cultural commodity which is storage, exhibition space, production expenses: capital intensive. And we do that by reducing the margins on the production costs. I think that galleries, in order to facilitate the distribution of young emerging sculptors, even artists like Sterling Ruby who are collected for their spray paintings but are really first and foremost one of the most brilliant sculptors of this generation. The price points that those assets are sold at is too much so they just sit there essentially in colon of the art world collecting dust.

AC: Plaque, maybe not dust.

PS: I think it's true and I think you wouldn't be surprised to know how many sculptors and their representatives profoundly discount sculpture for it to enter into public institutions.

SS: Public Institutions, not private collections. And private collections...

PS: Well why should someone be subsidizing you for it to go into your collections?

SS: It's not a subsidy, it finances production costs. This ridiculous separation between the private institution and having superiority over the collector is rubbish. A guy has a garden, he puts a sculpture, his friends come and see it. I mean it's the same thing. So why this constant differentiation between public institutions. Art lives in collectors' houses. It gets seen in collectors' houses. It lives and breathes there. So this differentiation needs to be obliterated between institution as a collector and a private collector. This separation needs to go away in order for us to build a much more effective art world.

ST: Except there's a huge difference in terms of the foot fall and usually the scholarship that applied to the work and the context for the work so that there is a real difference between a work appearing in a public institution and in a private home.

SS: Scholarship. When Howard Rachofsky buys sculpture I promise you he thinks about it.

ST: I think he gets the museum discount.

SS: I know. But this ridiculous position of...

ST: I think Howard's special.

SS: You use this moral qualifier, "scholarship." When a guy takes money that he makes and he takes his after tax dollars and buys a sculpture, he studies it. He's scholarly about that approach because it's his money. So this word "scholarship." I've met with a lot of curators and institutions who don't know anything about what's going on. So scholarship is one of these great myths of the art business. Scholarship.

PS: There is a difference between a private collector and an institution. There is a huge difference.

AC: But is the difference moral? Because I don't like the morality of that...

PS: It's very simple. It's artists like to see their pieces go to a place where it's going to stick. That's simply put. And the good thing about sticking, meaning not getting turned around and...

SS: Stay in storage because museums have so much work that they'll never show it.

PS: The thing about painting to its disadvantage, is its mobility. So the good thing about sculpture and I've often told sculptors, "Well, yeah, if you sell it to this guy and he's known as a flipper. But if you sell him something big enough, and hard enough, it might actually stick for a while". And it is true...

SS: A friend of mine is doing an investigative story. She writes about corruption. A very good journalist. And she's been researching this story about museums having to deconcession sculptures that they bought that have no value but are spending too much in storage, and how there's this sort of role of them actually silently getting rid of them. Yeah, institutions are obviously different than private collectors but there are more private collectors than institutions and we need big markets and scalable markets for these things. I think anyone who buys something and puts it in their backyard should be applauded basically. Micro-audiences are essentially an aggregate to build huge audiences.

ST: Well, can I just redirect slightly because you've touched upon a few of the reasons why sculpture is subject to less speculation than painting but I was wondering if you could elaborate on that?

SS: It's a myth you can't sell, so of course its transaction costs are higher so of course there's less to speculate.

AC: Also it's often editioned, so paintings are unique, so you're buying a unique example whereas that's one of the things you haven't discussed is that because the fabrication means if they're being fabricated they're most often editioned which means there are more than one of them in the world.

SS: Trust me if it can be speculated upon, if it's ten tons, it'll be speculated upon. It's a question of value and transaction costs.

PS: And that does bring up a huge issue which is editioning and posthumous editioning, artists' original intent, changes of materials, and the difference between that which is made in the studio. And I'm not saying its sacred or religious.

SS: Yes, you are.

PS: Uh, no. I'm not. Because hey, I think Jeff Koons turns those fabricators into his bitches and makes them do things that are un-fucking-believable. But I think a lot of artists when they approach the same fabricator are not quite as unrelenting and clear

and precise and knowledgeable as Jeff is, they end up with mush. You know. It looks like...

AC: God bless the bitches, right?

PS: There is a huge difference because you can edition certain kinds of sculpture and there is obviously certain kinds of sculpture like that amazing Gauguin which we were admiring. It's just breathtaking. You know there's no cast on it. They haven't pulled a mold it was made for all the right reasons to hang in his house. It's magic because of that.

ST: Koons has come up a few times and he...

PS: You keep bringing him up.

ST: You just brought him up. You both just brought him up.

PS: I love Koons.

SS: I brought him up and then you both brought him up. Where is his market right now?

SS: Who cares? Can we discuss about something that people don't discuss? Why does it always have to be Warhol and Koons. Let's discuss other stuff... Jon Rafman. Let's discuss a slew of other artists out there. We always discuss Koons and are his prices up or down. Who gives a damn. We're here on a panel. We've got an hour and half. Let's draw through something interesting for a change. Not Jeff Koons and Andy Warhol and the same old crap.

PS: Hillary, Huh? He's Bernie.

AC: Right?

ST: Could be. Does that make you Trump? I'm actually, I mean, call me old school, but I...

AC: By the way it's much more interesting to be on a panel than to sit through one. So we are discussing the theatrics right now. It's like a semiotic unfolding of the theatrics of a panel so that it's more interesting for you. We actually all just had a very civilized lunch.

ST: And nobody had a drink, I promise you. I am actually very interested, despite Stefan, in the role of public museums in relationship to the market and interested in the dynamics of validation and legitimation or whatever you want to call it. I mean, contemporary art rises in value in part through a consensus of belief. And the belief takes more than a solo dealer or a solo believer. It takes a group. So I'm wondering if, perhaps, Paul had anything to say about that. You know, what do you think of the role of museums in validation of sculpture today?

PS: You know, so many museums are in some ways not unlike the history of the museum that we're in. Had a very passionate woman who loved art and came to bring these things close to her heart, and that world expanded to include her

husband, family, and the community around her and ultimately the community that we all live in. I don't care whether it's the Louvre with the king's collection or all the various warring princes in the Uffizi. All these collections, as you know, begin with the private individual, but the institutions are a way for them to live on together in a way that benefits a much broader public. Ultimately benefits, from my vantage point, more importantly, a broader understanding of the artist's work. So, yes, it's wonderful that an artist can make something for a single collector and it ends up defining that collection, being in a home. I've always struggled for example I know when Beuys first started converting performance objects into sculpture it was a huge negative response on the part of some of the artists of his generation. Like "Joseph Beuys is selling out and what does this mean?" And he ultimately made a commitment to keep a whole group of work together and it all ended up in one collection and, okay, well that's great. So it's all in a museum. Well, per what you say, the museum never lends, it's hardly ever open, as you know they're always under reconstruction.

AC: There's so many rules.

PS: And there's no way to actually do a Beuys exhibition really without it and so it's kind of stymied. So, I'm not only a big believer in museums as the place that they go to but it needs to be a whole lot of museums. I'm a little uncomfortable with the sort of monographic museums. There are exceptions that work. But I think the place these sculptures work the best is within a much broader collection and as wide an audience as possible. And in that respect we certainly live--who knows what happens to all of this in the next 20 or 30 or 50 years--but we live in a time now where there are more new museums being created of real high caliber by individuals, private foundations, private collectors, that are working with museums standards. I would say they are probably the moral high ground in terms of collecting because they have the resources and the desire and, I hope, I expect that some of these collections like Howard's and you see it in other places, both formally and informally, end up within the public domains. So, yeah, I mean, I'm not sure the shortest distance is always the best from the artist's studio straight to the museum but I'm not sure it's the worst either.

SS: Can we call it a high ground and not a moral high ground? Why do we have to put the word moral high ground? Why can't we just say it's the high ground? Why do we have to put the word moral before high ground?

PS: Okay, fine.

SS: Snap.

PS: I'm not sure if it has to go directly from the artist's studio to the museum, but kind of when it ends it's a little bit like a rigged pool table with a sliver under. With time, whether its 50 years or 100 years as you were just talking about with Impressionism. The balls all kind of sort of head into those pockets.

ST: Stefan, you've talked... you're a proponent of social media and even work--have strong affinities with tech sector.

SS: I have a strong affinity with people that have money.

ST: Thanks for that clarification.

ST: Does the importance of JPEGs and social media does that disadvantage 3-D art forms?

SS: What, social media?

ST: Well the rise of the JPEG and social media for museum marketing.

SS: Of course it advances it. It's huge. An image of anything advances it. The distribution of any image advances what is behind the image. In fact, I think most people who collect sculpture are like "Look at my sculpture collection on my iPad." It's fantastic. I think it's great.

ST: But do reproductions do as much justice to a sculpture as it might do to a photograph, let's say?

SS: Justice is a moral word. "Moral high ground," "justice," moral words. Let's get rid of the moral words. Does it do justice? It's better than nothing. Not many people can afford to fly to the Nasher to come to see the works. So the pictures on my social media that I took of Jeremy and the works people are going to see them. So it's better than nothing. It reduces friction. Artie Vierkant, a great interesting young artist, wrote an essay called "Image Objects" where he discusses how an image and an object have a duality of existence in today's world. The actual physical object and the representation, especially in social media, how many variants there are. So I think we have to get rid of this idea that, "moral," it's better to see the sculpture in a museum. Of course it's better but it might not be possible. So I think I'm a proponent of anything and everything to get the job done basically.

ST: I mean I wasn't really thinking of it in terms of moral issues. It was actually much more of a pragmatic one and maybe I'll turn this to Amy. I mean, in the sale of sculpture, a lot of people feel that they really need to see it in the flesh, let's say, in a way that they might not need to see a different resolution JPEG of a photograph.

AC: But they need to see the painting too.

ST: They need to see a painting too.

AC: There's a physicality to sculpture and a presence to painting. If these reproductions were as good as the real thing we would just cut them out of magazines and tape them to our wall and be satisfied. So clearly they're not... having the real thing is like seeing a work of art is still very much a live experience even though lots of live experiences have moved to the virtual and they're sort of satisfying it. But not necessarily seeing a work of art. However, the distribution of all these images in whatever way possible but always at higher and higher resolution makes the market more efficient because markets don't stay inefficient permanently. The art market is a highly inefficient market trending more towards efficiency all the time. In part because of the quick and easy distribution of objects around the world.

SS: 100%

PS: But I'm not sure the efficiencies actually don't privilege certain kinds of art and it is more two-dimensional.

AC: But so do the inefficiencies. So... The older inefficiencies privilege different things.

PS: I think it's harder to represent, to get to your questions, I think it is harder to represent sculpture than painting in books. I've been doing books my whole life and you just have a tendency, Okay if you get a good reproduction of a painting that stands alone. With a good sculpture you end up having to give pages over it. You want different views, you want to be able to sort of see a detail. You want to somehow represent the experience of a viewer coming and looking and going around it. I do think in the area of social media what's been really great are these little like QuickTime movies.

AC: Videos.

PS: Stuff like that. I mean it's like the first thing for sculpture where you kind of go, "Oh this is a damn sight more interesting than a QuickTime for a painting."

ST: Absolutely, video might be the savior of sculpture. Just out of curiosity, what proportion of your clients do you think buy from auction without having experienced the work in the flesh for themselves?

AC: I don't really know. Like if you send someone you trust, is that experiencing it first-hand or is that satisfying your own... if that's your protocol. Hard to know. But there is a way that things are photographed in the representation of works of art that is very kind of canned and perceived in an auction catalog that people are kind of accustomed to and used to. You don't really want to vary that formula. It's like a yearbook photo like everyone knows what that is and how it's shot. It's pretty broadly translatable across many different languages and ways of seeing.

ST: I want to open it up to questions from the audience and maybe two more questions, perhaps. Maybe we'll branch out beyond sculpture a little bit. Stefan, do you have a strategy for building an artist's career?

SS: I do.

ST: And does your love of transparency and media attention undermine your business model?

SS: No.

ST: Would you elaborate, please?

SS: I basically think today we're in a situation where there's a massive overproduction of cultural product which has been essentially financed by the student debt system and that has completely essentially, effectively raped more artists than people accuse me of doing. And at a huge scale. So the gallery system, I believe, is, and I'm not talking about Hauser and Zwirner and Gagosian because I consider these vertically integrated empires that are sort of at this point to some degree are homogenizing

factors within cultural distribution as opposed to heterogenizing cultural distribution. I respect them. They're great. I hope all my artists end up signing with them. But needless to say, within the rest of the space getting the conversation away from Koons, Warhol, Hauser, Zwirner, Gagosian, who have such a dominant voice, what's interesting to me in my space is coming up with an identity in the middle that can rectify the structural imbalances in overproduction, in cultural product financed by student debt and the overinvestment in retail distribution space in the gallery system and in the institutional system. And I'll explain it to you very simply, galleries do not buy inventory, they have no long term vested interest in the underlying cultural asset that they represent. They need to sell the asset to pay for the overhead. So what they've done is taken this excess working capital and they have invested in expansion of retail square footage into the investment in going to art fairs and taking ads in art magazines and on the cultural production side you have this exploding cultural production being fueled by art schools and these galleries here are competing with each other and these greedy artists, often times stupid and young, are just completely unethical in the way they move from gallery to gallery. They just want to go to bigger galleries. Let me run with this.

ST: For a little while.

SS: And what happens is these galleries just want to sell what has no friction to sell. So in my opinion there needs to be a reduction of investment in working capital, in retail expansion and more investment in inventory. It's very similar to how the clothing business works. We have distributors who coordinate with distributors what their factories produce at what scale and their volumes and how they distribute the material. Much more professionalized business we're not in 1950s 1960s where we've got this great collector base who loves art where art is relatively inexpensive. Where artists have jobs. We're in a 60 billion dollar plus business that's moving fast. It's growing. It's expanding to all corners and nooks and crannies of the world. And we need to come up with a much more professional, integrated, logical system for the distribution of cultural production. And my role, I don't want to compete with Gagosian or Hauser and Zwirner. I want to be in the middle providing this service to develop artists before they essentially get carried off by the big boys.

ST: Paul or Amy, would you concur with Stefan's vision of or description of the current art world and art market and way forward?

PS: I can't speak for... well actually I can speak for a lot of galleries because I've worked with so many and it's not just being a partner at Hauser & Wirth now. I think many gallerists would like to collect more of the artists they represent and keep it and put it into stock and benefit from that and in fact when you're representing an artist they don't want you taking half like the old school dealers used to do. They want one for the market and one for Sydney Janice. You know what I mean? They want it to get out there. They want it to go into museums first, important foundation collections, etc. Certain dealers like Ileana, who's a legendary collector. Well you know she was kind of lazy at selling and she didn't keep the best stuff often. She kept what kind of was left. And there were good things... So if a dealer is doing a good job representing an artist, their primary market, that's what we're talking about. They don't want it to be

stockpiled on the other hand I know that at Hauser and Wirth we have tremendous resources. We have huge art that is being stored and there seems to be endless patience maybe.

SS: Because you're investing in inventory. Because you're well capitalized. You're stockpiling inventory that you're investing in the long term.

PS: Yeah, I'm not saying this is because this is...

SS: But who's going to work with the young artist?

ST: Stefan, let... let...

SS: Sorry

PS: I'm just not sure it's what artists really want us to do. And often where it kind of works is that you have somebody whose work is really overlooked, is at a certain point in their life where just to have somebody make that kind of commitment and to kind of share in the responsibility, that's how you get a big group of work. But I think you're wrong to think that galleries would have... I think that at any level, galleries would like to be able to collect and hold more of the art that they represent.

SS: Of course they would, but the business is structured in such a way that there is too much competition at the gallery level. I mean Jessica Silverman just took on an artist from a young gallery in L.A, named Margo Wolowiec who left. So the galleries are cutting each other's throats. They're slitting each other's throats and you're talking about what artists want. As young artists really what they want, they're like, "I want to eat chocolate cake and ice cream." I mean it's necessarily good for me. This question of "we have to give the artist what he wants." I don't necessarily think that's true. Again we're placing the artist on a sort of a moral high ground where well, "We give you a bigger gallery a bigger space, better museum. We're going to do what you want." We all have to work together. We're all equal in the ecosystem, or we have to collaborate in a where our superiority, our moral high grounds are decimated. Where the artist is equal to the distributor, to the collector, the institution is equal to the collector. We have to sort of flatten things a little bit and get rid of these silos.

PS: I couldn't disagree with you more. I just, you know...

AC: Well that's the difference. You know the artist has an enormous amount of power now. In a way that they didn't within the negotiation of their own advancement of their careers. So that's true. You also have a situation, all you're referring to, is there are two types of galleries. Those that are capitalized and those that are not capitalized. And that's it. So you're going to start to see a roll up a little bit.

SS: And those are the capitalized, like, you know, Gagosian is capitalized, self-capitalized, self-funded, self-made. He goes to business, because I kind of know how he operates, and he's a shark. He's making money because he needs to stay in business but there are other systems that are capitalized in ways that are slightly different. They capitalize through other industries and stuff. So, when you're running a business efficiently and you have to make every decision based on your bottom line

and how you basically invest capital and restrict capital there are a lot of distortions. And I think if you look at the big galleries--Hauser, Zwirner, Gagosian--they're all very different entities. Hauser is sufficiently maybe overcapitalized.

ST: I think that good primary...

PS: Well I'll work on that.

AC: Actually, certain artist's markets are over capitalized for sure.

SS: Exactly, exactly.

ST: I think a good primary gallery invests in the long term career of their artists not the inventory and that's the difference. Representation is about...

SS: The inventory is the long term career. The inventory is the long term career.

AC: Right

ST: I actually disagree because basically a primary dealer often wants to spread the support and the investment in the artists with as a widespread and to some degree cherry-picked because provenance makes a difference.

SS: They don't want to spread the support. They want to sell it to institutions ala Paul Schimmel and his sell it to the institution and then why sell it to the guys like Howard Rachofsky because he's got a nice warehouse and he's a big shot in Dallas. They don't want to spread it around. They want to spread it to those who they think they want. They don't want to spread it to the guy who basically wants to buy one piece of art a year. They want to concentrate the distribution to essentially the right people.

AC: Well they want to control the distribution. So that's like controlling the distribution is a sort of, well, when distribution is controlled...

ST: It's a form of career management

AC: Well it's also called a rigged market when you look at it another way. In other industries that would be. Controlling distribution that's a sort of anti-trust issue. Or that's sort of a, you know, obstruction of trade or blockage of the marketplace issue. Only in the art market is that sort of, and that's usually the motive and you can sort of understand. Now human motive is completely, beautifully illustrated and understood every day in the art world like there's not a single stripe of behavior that isn't exemplified and you can't sort of understand where it comes from.

SS: But it's exclusionary. I mean I've been excluded from buying work from so many galleries. So I buy from auction. So I've got some of the biggest buyers in the world buying at huge scale at auction now where I don't even bother calling the gallery. I don't even bother going to the dinner. I'm like, you know, Amy, send me some art. Let's do some business.

AC: Auction is very democratic nowadays. It doesn't care who you are really it just says whoever pays the most will win.

ST: I think we're probably ready to take some questions and while I'm waiting for a hand to raise, and I hope there will be many, I do think that inventory model you're describing bears some relationship to restoration hardware's future art roll out. I really do think...

SS: Explain that, Sarah, can you explain that silly comment?

Audience Question: So, Stefan, if you have an apparently radical business model that basically cuts out...

SS: It's not radical.

AQ: Well whatever.

SS: It's done in every business from selling of Caterpillar trucks to clothing to bank

ST: Let him ask his question please.

AQ: Well, radical to the art world. You're talking about a kind of anti-biased scale. Remove the gallery system...

SS: I'm not saying remove the gallery system. The gallery system is a retailer.

AQ: When Gap goes through their spring season clothes and they can't sell it because maybe sales have... they actually destroy their inventory because it has no life beyond that.

SS: They don't. It goes to Palm Springs and it gets sold at a discount.

AQ: Well what would you do with all of your inventory? I know you invest in all these young artists

SS: I'll give it away to institutions all over the world.

AQ: Yeah but they don't want it because they don't operate on that model.

SS: Well there's thousands of institutions that are under- they've spent five billion dollars in the last decade in America in institutional square footage expansion and they don't have money for programming, they don't have money for acquisitions because they wait until a piece of art is worth 2 million dollars before they acquire it. So their board can be like "Oh we just bought a Gursky for 2 million!" You should have bought it ten years ago. Institutions run inefficiently. They allocate capital inefficiently....

AQ: You buy up inventory, right? From the artists that you promote? They're very young, very cheap ... So you complain about the young artists who you've spent 30 grand on a year there's no way he's performing. What if that doesn't take off, what do you do with it then? What happens as the values of your artists [inaudible]... and you've got huge storage costs and museums... What do you do?

SS: I keep it. I keep it. The art asset either sits in the artist's studio, like Picasso would go and make paintings. He would fill his house, lock the door, go buy another

house. So it took them five years to do the inventories of his assets. Pablo Picasso basically did that himself. Mark Grotjahn does it for himself. He's got hundreds of paintings sitting in his studio.

AQ: Yeah, but he can afford to. He's extremely successful.

SS: He can afford to now, but before he was successful he didn't. So he was intelligent. So I'm not saying I can do it for everyone. There might be guys who do it for themselves. There might be artists... but we have to start thinking about the system as a supply chain so we can essentially, we can bring sort of corrective measures to managing the long term distribution and value of artists' inventories over long periods of time and the galleries are retailers.

AQ: It's not a viable model. It's just not.

SS: Many artists have six galleries. They've got ten pieces at this gallery, five at this gallery. Galleries don't talk to each other. They compete because they want the sales. So there's no coordination. So vertically integrated companies like Gagosian can control inventory across a huge chain and do a good job. Hauser and Wirth does the same. They vertically integrated so they could provide that structure for their artists from finance, distribution, control and production. Whether they're buying the asset or not, they effectively own the whole asset. When you're with Hauser and you're an artist, they might not have bought your inventory but you better god damn believe they own your god damned inventory. Same thing with Larry. Same thing with Zwirner. whether they paid for it, it's in their storage, or whether it's in the artist's studio. They own the inventory because they vertically integrate to essentially control the distribution, and if you leave them you're in trouble.

ST: Do we have any other comments or questions for anyone? I mean, one thing that very important to me when look at the art world art market is the issue of reputation and artistic reputation and credibility.

SS: I have a terrible reputation.

ST: And in a sense that's why I'm taking it back to the issue of career.

PS: Self-inflicted.

AC: Earned, didn't you earn that?

ST: I'm wondering if Amy or Paul had anything or particularly Paul on this matter. The issue of the artist's reputation and how a good curator or dealer manages or contributes to that.

PS: You know, this does get back to something Stefan was saying about this kind of flat where, maybe in his opinion, artists are sort of privileged or babied or given too much, but the reality is this is not just today. You go back to great periods of art whether it was Holland in the 17th century or Duccio raising the price of the altarpiece that he was doing in Sienna because Florence said, "You know what, we're building our own church and we want it. We'll pay you more," and he goes back and says, "Well if you're going to stay here in Sienna, you guys are going to have to..." And they

went out and actually did a public fundraiser and they matched Florence. And so, you know, artists, especially great artists--and there's a lot of artists that think they're great but at any given time there are not that many artists who are truly great--and you know they should do everything possible to control how their work is seen and the context where it goes to. I think one of the most intelligent things artists have done vis-à-vis the quote spread between the secondary market and primary market is that they didn't raise their primary market to reflect their secondary market because they wanted to have that spread that would allow them to have much greater control of where the work goes. And so they're paying for that, and I feel, unlike other methods of distribution, that's something that a good gallery not only supports but encourages. It is long term and it does think about where work... I don't know why there's certain works once they go into one person's hand it's like they're cursed. They come up. They sell. They get divorces. They go. And then other pieces they find a happy home and they stay there for kind of ever. And maybe I understand there's a desire in this current market to have lots of things moving around but I'm kind of much more comfortable when things sort of settle down into a place where people can see it. Can appreciate it. Can learn from it. Where they are responsible for it. And it becomes part of the history of that institution, of that community.

SS: That's the bulletin board of the art business. That's the advert that you're meant to say, but what you don't talk about is what do artists do when their secondary market pricing is well below their primary market pricing? Which is the majority of the case.

AC: The majority of the case.

ST: Which is the vast, vast majority

SS: So let's flip your conversation. Now have the conversation from that perspective. So we don't have this, "It's nice to place some art and sell it, and it's good when artists are in control..."

PS: They ask their dealers to buy.

ST: That happens.

PS: You know that inventory you've been wanting, now go get it.

SS: But my question is instead of it being dead you can have an elastic price model that basically you're fluctuating prices because in the art business you can't reduce prices. They're static. They remain forever. If your résumé's this long, your prices increase. We need to come up with dynamic, elastic, moveable structures in the art business. Highly flexible, integrated and collaborative.

AC: Well you need to index it, and then you need to design a mechanism to long-and-short the market like you do the stock market. That's the only way to do it.

SS: I don't believe in that but that's another story because you can commoditize art because it's got abstract qualities to it that provide--like fresh orange juice. Ideas, love, passion, decoration.

ST: Now we have three questions from the audience so we're going to go right here then back there and number three there.

Audience Question: Kind of tying what you're talking to with primary and secondary markets, there's a whole slew of artists that have had these meteoric rises. A lot of them have sustained it but a lot of them have failed drastically versus some of the secondary market is a fraction of what the primary market is. So, just maybe some thoughts around those ups and downs of meteoric artists.

ST: And should we take three in a row and then deal with them?

Audience Question: I'm just interested, I know this discussion is about art and the market but I'm just curious about each of the panelists: "Why art?" What is your interest or your motivation? There's a lot to deal with in the market. Why did you choose art? From each of you.

ST: And why don't you prep him over there and so... Why art, Amy?

AC: Because it was an early passion and love. It's hard to say much beyond that. I was really, I think, when you like art or are drawn to it as a young person you quickly decide if you're going to make art or you're going to make art happen. So I was on the side of making art happen.

AQ: [inaudible] ... are you happy with the choices you've made?

AC: Oh that's such a profound question. I mean, you know, yeah, like you know it's adult life. It's challenging. But yeah I'm happy with all the choices I've made so far. Paul, are you happy?

PS: Happier than ever.

AC: That's a great question. It's a very deep--I don't usually get such a personal question like that. Yeah, I'm okay. I'm good with it. Stefan, how about you? Preternaturally unhappy. It's an important motivator to him. Happiness is overrated, let's face it.

SS: Overrated. I like industry and I like ideas and art is the commodity of ideas. So I figure that should be my industry.

PS: I love objects. I was really lucky I grew up around... my father was a book collector, my uncle collected Lautrec, he turned his house into a kind of morgue with all the furniture and prints, and I love things. As much as I love hanging out with artists--and it's the group in the art world like to hang out with the most--I really love the things they make and I'm just shocked that back in the early 70s when I decided as a very young man to be a curator it really wasn't the most sensible move from a financial standpoint, and not that that was a worry or a consideration. It was just like, I could never really imagine that I'd be able to work with these wonderful works of art and artists for my whole life and be compensated in a way.

AC: It's such a privilege really.

PS: Yeah, it's like kind of remarkable. And I realize it's a rising tide and if it wasn't for fact that there are artists making ungodly amounts of money today, I couldn't be sitting here as a gallerist attempting to run a museum kind of program. I mean, that's a lot of money on the table right now. So this is, as far as I'm concerned, one of the great moments in contemporary art.

AC: I just have to take two seconds to your questions about the primary and secondary market. I mean just to be incredible reductive for the purpose of illustrating this point: a work of art is worth what someone will pay for it. When it resells is when you know its larger worth in the world. And so, one of the things I always find because in my history working art auction houses, I'd occasionally get phone calls from younger artists whose works were coming up at auction, and they were completely freaked out. Like worried the sky was going to fall and the bottom was going to fall out from under them too, like all at once, because their work was coming up at auction. And one of the things that dawned on me is I thought, because a lot of the proliferation of what we have he called it the student loan debt or I call it the birth of the MFA. The professionalization of being an artist in some way. The problem is that all of the educational model is flawed because it never teaches artists to understand the sort of knock-on effect of their production. So we could turn this into a problem with education.

SS: Exactly...

AC: It's a broader problem in the whole wide world and something that needs revolution for sure. But I feel sorry for lots of artists that completely... just because you weren't good in math doesn't mean you didn't need to understand the laws of supply and demand or some basic business tenets that would have helped you in the way that you strategized your making of things.

ST: It is a perverse fact that art schools often ban discussions of the art market.

AC: But that's the socialist/communist hangover from the sixties and seventies.

SS: I had 26 Bard students at a studio of some artist at my house last week. Spent 3.5 million dollars cumulatively on art degrees. I said how many of you know what a supply/demand curve is? Have you done an Econ 101 class? None of them. At the end of the lecture, two hours later, I got a text message from these guys saying this is the best thing we've had happen to us in four years. Listening to you for two hours. They don't teach properly. Cesar Garcia at The Mistake Room calls me a year ago and says "You know, I run an institution. I have a curatorial studies degree but no one ever taught me how to do a budget." So we need practical elements in the education program.

PS: I don't know, I think artists need to even look at the history of art and things they've made. You know when Cezanne wasn't selling he didn't make that much work or he had a tendency to repaint over the same canvas, and then when things got good there was a lot more out there. I mean they had their own... You know people talk about artists going fallow. They're kind of like, they're still making art, but just

maybe not producing things that get out there. They have their own little way of measuring the temperature of the...

AC: We used to hunt and gather our own food also, but go ahead.

PS: You guys are tough.

Audience Question: This is actually exactly the subject of my question. I teach in the art department here at SMU. We have an MFA program that is free and I'm teaching a class called professional practice. So it's not banned from at least that university.

ST: Is it one class they take at the very end of their degree?

AQ: It's one class that's in the Senior year, there's other classes that are earlier that are theorizing questions that are relating to exactly your question of like is Socialism a hang up from the 60s and 70s? So I was very interested in the similarity between Mr. Simchowitz's proposition that tuition and student loans are problematic of the capitalization of the beginning of an artist's career?

SS: Exactly but when you leave and you fail at the art school they need to give you a reason why you fail. So you don't really go back and shoot your professors. So the reason they give you is the world is... we should be Socialists and the evil guys like me, who basically run the world and are capitalist pigs, are you know... you can go back and teach at the pulpit and basically blame a guy like me for the failure of your education.

AQ: I'm not blaming you.

SS: So socialism is a great tool.

AQ: I'm not blaming you. What I'm asking is two things: One is that it's interesting that you're pointing to a similar problem that groups like WAGE, Working Artists for Greater Economy, or Carolyn Morlidge project PHDMFABFA, those are self-organizing projects which are going back to socialist models but they have a similar critique. So on the other hand would you say that, like, venture capitalism would be the better model for financing the capitalization of early artists' careers?

SS: I think VC, I think venture capitalism would be a great model because what VCs do is they have entrepreneurs and residents. So when you're a young company you go to VCI, I went to Stanford, I know the tech business quite well. You basically get--when you get money from a venture capitalist--you get a whole bunch of resources. You get access to tech codas, fabricators, you basically get a whole slew of services that help you grow your business. That makes a huge difference. The capital is smart capital and they help grow you to become a self-sustaining business and then they let you go. The VC model is an excellent model for the development of an emerging contemporary... And because the business is so scaled now, so big, so fast, you need some mechanisms like that in place. Another issue with artists--because of this conversation with socialism and the sort of rich versus poor conversation which has sort of bifurcated America and created so much conflict--is essentially artists do not have a moral high ground. Artists are as unethical as the accountant who steals.

They are as ethical as the lawyer who gives good advice. They are human beings. Many of them are good artists but unethical human beings. Unethical human beings tend to make very bad long term decisions for their careers. So I think the analysis of morality within the system and the sort of automated positioning of people having some high ground or low ground is problematic. Now, Paul comes from an environment where in the 70s the love of art and the sort of passion of supporting Chris Burden was very, very pure. But we're in a very different environment. Instead of trying to harken back to an age that doesn't exist anymore, we've got to come up with solutions that can practically provide a road map moving forward for what I'm interested in: emerging contemporary and the next generations forward.

AC: I just want to say, if you're going to have a VC model, like a Venture Capital model, you also need like a leverage buyout model when you're dealing with things that need to be... when you have that studio full of art that is unsalable and unlikable you have to sort of figure out how to value...

SS: There are failures. To your point as well: what happens to the artist when he fails? There are failures. In the VC model, in my--I have 2500 works in inventory--I can assure you I've more failure than success. But people write about success and they write about what a maniac I am because I made so much money but I have ten times more artists who have failed than who have successes. At least they got a shot. At least, you know, I got a call three weeks ago. Haji, couldn't pay his final quarter at Bard and I wrote him a check for eight grand and bought 13 pieces. But he would be back in Iran without an MFA. So you take chances. You take risks. There's a lot of failure but you don't know what the outcome is, but the system at least provides some capital and liquidity to move forward.

AC: He's just an incubator investor and he gets a lot of shit for it in the art world but actually it's not that crazy.

SS: Basically.

ST: Right at the very back.

Audience Question: I'm going to try to talk through this question. I completely appreciate a one word answer in either direction. So thank you for this conversation. It's super valuable. I really appreciate the comments from both Amy and Stefan regarding the inefficiency of the art market as well as the need for elastic pricing models and vertical integration of the commercial gallery empire to not paraphrase as much as I can. My question is that I agree on both sides: Is the panel familiar with the emergence of disintermediated transactional technologies such as the blockchain and ethereum and how these things will disrupt, displace, or add to the flow of supply?

SS: I've done a lot of research on block chain. A friend of mine, Robert Noden, just started a company called Verisigh which...

ST: Could you just define a block chain for us all.

SS: A block chain is a hashtag identifier. It's like a code that--essentially there are different block chain networks; BitCoin would be the biggest block chain network--so

it's basically a hashtag with a series of numbers and letters and it essentially attaches to an item that provides it value. And you have to integrate to the block chain by essentially, like, almost using a browser to interface with it. So BitCoin in the biggest blockchain. Blockchain technology's going to absolutely change the way everything works from financial transactions

AC: Everything.

SS: Everything.

AC: Within five years the entire art market will be different. You'll have...

AQ: So can you articulate the changes that will happen specifically to your industries?

SS: We don't know yet. We don't know.

AC: We don't know.

AQ: Do you have any anticipations?

SS: I don't think it's as radical. I think basically you'll make an artwork. You'll attach a certificate of authenticity that'll attach to the block chain and then the block chain, when you transfer, you'll be able to transfer that block chain hashtag identifier to a new owner. So I really think it's basically like a virtual sort of certificate of authenticity in the art market. I don't think it's going to radically change the way business is done but I think it changes the way that transactions are recorded.

AC: But it will allow things like, it will be harder to sort of sneak in things that were allegedly made earlier but then found their way out years later. It will be harder to falsify circumstances and information. It'll also index things and you know my biggest, sort of what I think about a lot, is that there probably will be some peer-to-peer software that will allow people to trade completely directly and in closed rooms with financial certification at a certain level.

AQ: That's my understanding of the technology, and so part of the implication of my question is how will yourselves as agents of this commercial system, how will you react? How will galleries and other commercial systems, in general?

SS: You'll use it. Generally, with art what I find is that people find some trusted person who they like to buy art with. It's like I think the great thing about the art business is its always a bespoke business. Block chain technologies, Artsy, websites, Instagram: all they do is accelerate. They create security. They create more image distribution. They're all profoundly good for the expansion of the market. The blockchain is just going to provide more safety. Do I own the work? How do I know I own the work? It'll just provide an additional level of security that will make the market more efficient and help it expand at scale.

PS: And then, in some respects, it will do for a lot of art what maybe has happened very clearly in our lifetime when video was first being made in the 70s by Naum June Paik and it was all for one, and all complete access, and you had distribution that

provided no value. And as collectors started becoming more interested, all the sudden you had a very limited access to something. The same is even true of photography. Something that could have been made for all became very limited and you had it editioned and you had it so instead of having 1000 Bruce Nauman videos out there, you only have five Matthew Barneys. And I think, in some ways, all of the new electronic media evolved as some kind of security that actually limits the distribution and therefore make individual works of art that really could be mass distributed collectable.

SS: The blockchain companies have started, the ones that will be more successful will be the ones like Sneakers for example, block chaining your authenticity of your sneaker. I don't think it will be overly applicable to the high end of the market because you essentially have to go to an artist's studio. You have to take a photograph. Create a block chain identifier. If you understand the methodology of artists' production, they're quite inefficient, and that extra stage of moving an item from production to a block chain identifier, a COA, I think the big innovation of block chain will come from the financial transaction side and basically... I don't think the art business is really going to be a major deal for the block chain. But it is going to change the way transactions occur.

ST: One more question, I think. Or maybe two. Yes two. Maybe three.

Audience Question: To each of the panelists: I heard... Stefan it sounds like you're talking about consolidation of inventory within market places in order to create a vertically integrated model and I heard Paul say earlier that working with monographic institutions which essentially have a corner on these artists' output of production posthumously are very difficult to work with. And so I'm curious if this vertically integrated model creates situations which are monopolies and create inefficiencies in the market that allow for market manipulation and I'm curious with Amy, you were saying that the market is heading ever more towards efficiency and if you see in that trajectory the need for or the inevitability of regulation?

AC: Oh that's such a big word. I'm terrified of who the regulators would be actually. So like, it always sounds like a good idea until you think about it practically. I think very good businesses self-regulate and people choose good businesses because they see good business practices and quality of service and knowledge and expertise, and you stay ahead of any regulation by distinguishing yourself. Distinguishing yourself as a very good business. A business interested in annuity relationships with customers, etc. And that's its own form of regulation in a way. I don't like... I'm terrified of who the regulators would be, again at the same time within the ecosystem of the art world, within the pond that it all is, there are certain people who will like piss in the pond and ruin it, and I can see, like, the outliers who might invite regulation just because of unscrupulous behavior. So, you know, it's annoying but I believe in self-regulation and self... and the essential and natural sorting of excellence in business practice more than I believe in regulation.

SS: The business practices in the art business are very good. It is a relatively transparent business, and the players in the game do self enforce amongst each other. I think that the notion that it needs regulation... there's a lot of market

manipulation today, more than ever it's very transparent. Everyone knows everyone. You mess up a few times, you get really punished, and I mean It's a small business.

AC: In the old days the ideal customer--well for like lots of the art market--the ideal customer was someone who was not very knowledgeable but willing to spend a lot. You know, so instead of like... That's not a particularly good business model for the long haul. You might get lucky once in a while, but... So increasingly that hope that someone walks into your gallery or walks into an artist's studio or auction house and has absolutely no idea but is willing to spend a ton of money is like... The more capital that comes into the market place the greater need for good advice. And that's something we see in every business.

ST: I think we're going to take a question over here and while the mic is getting here I mean I think that really what characterizes the art market is general opacity rather than transparency.

SS: I think it's very transparent.

ST: I mean, reading the Panama Papers really makes it a bit more transparent, but anyway....

AC: But that's just tax planning that's not always about art.

Audience Question: My question is for Stefan. You've mentioned a number of instances, and I think a couple of us have read of instances where you have supported artists and have provided alternatives to what you maybe perceive as the limitations of the gallery system. What do you think the misconceptions are and what do you think is the false information that gets put out there, that you get labeled as "evil" or "the devil?"

SS: Because one of the areas where philanthropists need to invest is in media reform, which has essentially obliterated our ability to run a democracy. The media is corrupt, corroded, underpaid, and essentially writes profound amounts of bullshit that basically gets clicks on the website. So they don't analyze systems, they want a devil. So I'm on this panel "Agents, Advisors...." I'm the god damned devil and apostate because it attracts 300 people to fill a room. So that's what the media likes and utilizes these functions. They don't want a good guy who's changing the system. So it's convenient for them. They don't want a guy buying in bulk at artists' studios competing with the gallery system having direct access to inventory. It's not in their interest. The media has been totally irresponsible and people around the world who don't know anything have jumped on the band wagon. Artists who basically say, "Oh you're abusing young artists". I mean, I sued Ibrahim Mahama, I got emails from people all around Africa saying, "Please abuse me. We'll sell you artwork." I got emails from Lagos to Addis Ababa to Kinshasa to.... I mean I'm working with some of these guys now. Pa Jo who's a sculptor in Ghana. The most important coffin maker in Ghana. I sat with Jeremy Strick at lunch and I pitched him on doing a Pa Jo show because that's my gig. So you know what, it's been great for business. I like being demonized because I can get an audience and then I can essentially spread my strategy.

ST: Reveal your strategy or spread your strategy?

SS: Spread and reveal.

ST: One more. How about right at the back in the corner?

Audience Question: So you were talking about efficiencies earlier. I've seen a recent trend in the art world where often artists will sell their intellectual property as the piece, and the kind of onus of production is then on the collector. What do you think about that? I think it's increasingly relevant when you were talking about digital art and web-based art. Do you see this as something that going to be more prolific in the future? I mean, it seems a lot more efficient in terms of the system that you're talking about. I know Paul, you talked about the objects drawing you in.

PS: I actually think artists--I had a very, kind of, interest--you learn from the artists. Doing the Murakami show, the title of the exhibition was "Copyright Murakami," because I realized he had a slight disdain for the object, which I revere. But the intellectual copyright for that idea, that's what he wanted to own, and I don't think artists today undervalue the intellectual copyright. I think they actually know its worth, and either they or their estates hold it in much greater regard than they did in previous generations, and I think its because of all the new modes of dissemination of information that there is a desire to have greater control over what Stefan has on his iPhone.

SS: I did an interesting... John Rafman none of you know him. You should write his name down. He's a super important artist. But I did--John has been at Manifesta, dOCUMENTA, Berlin Biennale, you know he's going to be one of the biggest artists I believe in the next decade. And he's huge. So I met him early on and I made a deal with him because production wasn't produced. And I bought his IP for a couple of images that I had the right to self-produce. It's very interesting. So I spent about five six thousand dollars in producing each item. Flat works. But I spent a lot making them a lot more sophisticated. So I found a producer integrated with John and once his gallery got on board they started printing the same works as just c-prints that were \$900. So I in fact have these early works that I spent thousands on production that are more special than many of the other works he produced. So the idea of IP and financing is very interesting and I work a lot in the digital realm where I do a lot of deals with artists where I actually do buy in effect their IP. And then help them handling production. It's a really interesting question. I think very relevant to the next generation of artists.

ST: Any final words from you, Amy, about anything that's happened today?

AC: Well, I mean, certainly it's a privilege to be in this business, in this industry, and we should always remember that. On good days and bad days. I think one of the things you're seeing is that the market--since we all in one way or another represent the market place--the market place is an incredibly... is the most interesting place right now. Its the same. Maybe the market place will lead what is going to be a revolution in the art business. Museums will follow. Educational institutions ought to follow as well. But there probably isn't a single area of cultural production in this kind

of wild transaction. The music industry had it. So has publishing. Boy have they had it. Art world is next, so stay tuned, right?

ST: And on that note, Thank you so much to all of you.