CHEIM & READ

S.& P. 500	1,467.95	↘	20.46
Dow industrials	13,339.85	↘	178.11
Nasdaq composite	2,635.74	↘	32.75
10-yr. Treasury yield	4.23%	↗	0.03
The euro	$1.4425	↘	0.0199

Executive Pursuits
Art Lessons in Chelsea
A collector on the hunt for emerging artists says it's not about financial returns or posing; it's about the art. C5

Calculating the Gains of the Wealthiest C3
Google Develops a Knowledge Web Site C3
Sallie Mae's Ex-Chief Returns to Old Job C2
A Few Words About Cardboard Boxes C2

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EXECUTIVE PURSUITS

Sticker Shock a Hazard, Even When the Artists Are Only Potential Stars

By HARRY HURT III

I PLOTTED my executive pursuit of starting a contemporary art collection from a supercaffeinated base camp in the Empire Diner at 10th Avenue and West 22nd Street in Manhattan. It was dark and early on a wintery Thursday morning. The sky outside the diner's Art Deco-style windows looked like an ominous gray abstraction. But my guide, Simon Watson, a 52-year-old art consultant with close-cropped silver hair and indigo clothes, was in a sunny mood.

"This is very exciting!" Simon exclaimed. "We're going on a safari in the Chelsea zoo!"

I nodded, sipping a cappuccino with the affected nonchalance of a novice collector who knows just enough to be a danger to himself and his bank account. Unfazed by my naïve pretensions, Simon urged me to take a "portfolio approach" to collecting contemporary art.

"Don't put all your eggs in one basket," he advised. "If your total budget is $5,000, divide it up and buy six pieces for around $800. It makes financial sense to diversify your portfolio from an asset value perspective. Also, it's more fun."

Although my budget was so small as to be virtually indivisible, Simon had arranged visits to five galleries and two artists' studios. I figured that gave me at least an outside chance to pick up a bargain in what he'd called the zoo, the West Chelsea district, bordered by 30th and 20th Streets and 10th Avenue and the Hudson River. With more than 300 galleries and countless studio spaces, it is one of the world's most fertile cultural preserves.

Simon and I were hunting for rather elusive quarry: emerging artists with potential star quality. As Simon defined the term, an emerging artist is just about any heretofore mostly unrecognized and/or widely undervalued painter, sculptor or photographer between the ages of 19 and 95 whose work sells for prices in the three- to four-digit range.

"When their work sells for over $10,000, they're not emerging artists anymore," Simon said. "They've made it to the big time."

If the entry fees for collecting contemporary art are relatively low, the financial returns can be of hedge fund proportions. Last year, sales of works by Picasso and Andy Warhol totaled over half a billion dollars, according to artnewsblog.com. Living artists are commanding astronomical prices as well. In August, "For the Love of God," a diamond-encrusted skull by the 42-year-old Damien Hirst, who was regarded as an emerging artist barely two decades ago, sold for $100 million.

"The obvious question is, Who's going to be the next artist to make the leap to warp speed?" Simon noted. "But there's no way of predicting that. Art collecting is not about posing. It's not about amassing wealth. The base line is genuine interest in the artist's work. One hundred years from now, people will look back and wonder what it was like to live in the moment in 2007, to feel the anxiety about the stock market and the political shifts in the world. Artists are the ones who are capturing that."

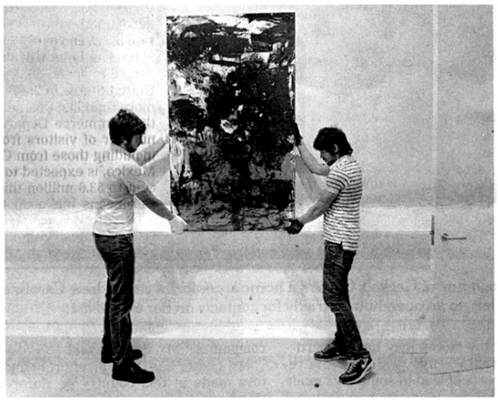
Simon spoke from nearly 40 years of art collecting experience. Raised in Rochester by parents who collected Asian art, he started buying art at age 14 with money from his paper route, and he went on to study art history at Williams College. From 1979 to 1991, he operated a gallery devoted to emerging visual artists, including some who are now well known, like Sherrie Levine and Richard Prince. In 2002, he was a co-founder of Scenic, an independent curatorial and corporate art consulting agency that has produced 20 shows for emerging artists in New York, Chicago and Los Angeles.

At the first stop on our safari, the D'Amelio-Terras Gallery on West 22nd Street, I suffered serious sticker shock. One of the featured emerging artists was Noah Sheldon, whose "Pink and Tan" installation of environmental photographs and sculpture under pink fluorescent light was going to be displayed at the Art Basel Miami Beach show the following week. Mr. Sheldon's photos were priced at $2,500 each. The price for a set of chimes made of metal fence post caps was $12,000.

I got my first taste of "participatory" art at the Daniel Reich Gallery on West 23rd Street. A Brazilian-born artist, Jarbas Lopes, showed us a series of ballpoint pen drawings that included a clown face, a mouse and a pool table, priced at $2,000. But the piece that caught my fancy was "Short Environment," which was basically a body-size condom made of yellow vegetable fiber.

PHOTOGRAPHS BY JENNIFER S. ALTMAN FOR THE NEW YORK TIMES

Simon Watson, left, an art consultant, and Louise Fishman, an artist, at the Cheim & Read gallery in Chelsea.



Workers at Cheim & Read hang a painting by Louise Fishman.

At Mr. Lopes's behest, I took off my shirt and slipped into the condom. I discovered to my delight that I could see out, but the other people in the room could not see in. According to Mr. Reich, the condom was meant to give the wearer "a break from the cellphone world we live in today."

"I'll take it," I announced. "How much?"

"We haven't set a price on it yet," Mr. Reich replied. "I'll have to get back to you."

My breath still bated, Simon escorted me to the Derek Eller Gallery on West 27th Street. It featured André Ethier's paintings of Star Wars-like creatures for $3,000 to $5,000. The nearby Clementine Gallery offered DVDs of decomposing and recomposing words made of alphabet soup by the dyslexic artist Hugh Walton for $5,000. Evan Gruzis, a 28-year-old Hunter College graduate student, showed us some provocative ink drawings in his Midtown studio for $900. But my favorites, "Cosmic Wayfarer" and "Shadow Man," had already been snapped up by a prominent collector.

By the time we entered the Cheim & Read gallery on West 25th Street, I was beginning to think that collecting contemporary art was simply beyond my means. An 8-foot-tall sculpture composed of tan and rust wedge-shaped pillows by the 95-year-old artist Louise Bourgeois was priced at $1 million. A large-scale painting entitled "Breaking and Entering" by Louise Fishman, 68, a second-generation abstract expressionist, was listed at $100,000.

"Louise Fishman is an undervalued artist," Simon insisted. "Historically, women artists have been so overlooked by collectors. But many of them are now making a late-career jump. Louise Fishman could be the next Louise Bourgeois."

Simon proceeded to steer our safari to Louise Fishman's studio on West 26th Street. The artist greeted us in a paint-splattered sweatshirt and jeans and red horn-rimmed glasses. She displayed several of her "little-little paintings," which were 8 inches by 10 inches and priced at $9,000. Then I spied two multicolored rectangular scraps of paper on her worktable. They turned out to be "leftovers" from her contribution to the annual AIDS benefit "Postcards From the Edge." The postcard I liked most featured a bright red curlicue. Louise said she'd sell it to me for $800, and I immediately wrote her a check.

A few minutes later, Simon and I left Louise's studio en route to a late lunch at Bottino restaurant. The sticker shock I'd suffered all day paled in comparison to the sinking sensation I felt in my stomach. "I just paid $800 for a postcard," I moaned. "What was I thinking?"

Louise must have been reading my mind. Shortly after Simon and I ordered a round of adult beverages, she arrived at Bottino with the second postcard I had seen on her worktable, a predominantly blue and yellow abstraction with an enticing three dimensionality. She insisted on giving it to me, declaring, "Your postcard should have its mate."

My buyer's remorse all but evaporated. Louise had just doubled the size of my holdings, and halved my average acquisition cost to $400 a postcard, which suddenly seemed like a bargain.

"Congratulations!" Simon exclaimed as the three of us raised our glasses in a toast. "Now you're a real contemporary art collector!"

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