

27 June 2000

Dear Holley,

On reviewing your receipt for the four paintings we sent you, Scott and I realized that, because of your 50% commission and the cost of frames, we are not going to be getting enough money for our work. The sales prices that I gave Ted were an intentional reduced price that was the result of an agreement that I made with Jerry Peters. Peters wanted us to come down somewhat on our prices so that when we had our first show in Santa Fe which was a totally new market, the chances for success would be better, and we could thus establish a price level from which we could rapidly rise. The prices I quoted to Ted were these reduced prices.

Lowering our prices for Jerry seemed reasonable, since we were entering an entirely new market, but reducing our prices for a Texas market where we are already established doesn't have the same appeal to us and will surely anger clients who have purchased works from us privately for higher prices. One of the few obligations to clients that Scott and I recognize is to keep our prices stable and consistent. Therefore I am adjusting the prices of the four paintings accordingly. In the future I believe that it will be more efficient for us to quote what we need to be paid for a particular work of art. Our price is predicated on the fact that a commission of 50% will be added, but you, of course, can manipulate your commission to lower the sales price if you wish.

Holley, the most significant reasons for us in joining an important gallery are to reach a new audience and important institutional and private collectors, and to raise our prices beyond those which this local market is likely to bear. If we make a major commitment to Pillsbury - Peters Gallery that is going to require a sizeable reduction of our income, we do so with the hope that this will only be temporary state of affairs. In the next two years two major books on our work are going to be published by the prestigious University of Texas Press. If we exploit these publications with vigor, they could prove immensely helpful in establishing our reputations nationally.

Our prices quoted here to you plus your 50% will result in a current sales price that is perfectly in keeping with our present prices which we charge privately. Although Scott has not shown in Dallas since 1977 when he left Valley House Gallery, his shows there were legendary. As many as 5,000 people came during the month-long runs of each of his exhibitions. One show of 27 paintings for sale sold out in 12 minutes! All four of his shows at Valley House sold out, and his prices ranged from \$3,500 to \$5,000 for major works, even back in the 1960's. Multiply these prices by five or six - the index of inflation - and you will see that his prices have not really gone up. And there are now a lot more wealthy people in Dallas and elsewhere than there were then, and most of them have probably never heard of us.

With the hope that our income loss will be only temporary,

we will wait to see just how the Pillsbury-Peters Gallery can perform for us as we establish a working relationship now and for the future. What follows are the new prices for the paintings presently in your possession.

SGE - 01, "PRAIRIE"

The sales price of this painting should be \$18,000 to \$22,000 according to our current market values. Scott need to be paid at least \$11,000.

SGE - 02, "FRENCH VELVET"

Scott needs to be paid \$7,500. If Pillsbury-Peters adds its 50%, the sales price would be \$15,000 which is the current market value for such a work.

SGE - 03, "SWALLOWS"

Stuart needs to be paid \$4,500. If P-P Gallery adds its 50%, the sales price would be \$9,000 (which is about \$1,000 higher than my current price for a work of this size.

SGE - 04, "QUARRY"

Stuart needs \$4,000. If P-P Gallery adds its 50% commission, the sales price would be \$8,000, well within the current price range for a painting of this size.

In the future, then, I repeat that it is best for Scott and me to tell you what we need to be paid for a picture and you would be free to charge your 50% commission or less. This would give you a certain flexibility in selling, and would make the sacrifices in our relationship somewhat more flexible.

Sincerely yours,

Stuart Gemtling