

What did Lars Friedrich buy when he purchased the debt agreement between Jason Hirata and Ulrik?

The principal amount of \$2,000.00 was lent to Ulrik by me, the artist. The principal is first paid down by making material purchases for the exhibition *Minutes*, which ran from December 3, 2022 to January 28, 2023. The physical manifestation of all the works in the exhibition was funded in this way. After that, the remainder can be paid in installments or a lump sum as per the terms of the contract, which stipulates that this is a 0% interest loan without a payment schedule. This means that there is no financial incentive for the borrowers to repay the lender. Instead the contract states:

For the duration of the loan period the BORROWER is obliged to court the LENDER. This can take the form of interest, appreciation, correspondence and public acts of loyalty. LENDER can choose to impress the right to be repaid.

The loan agreement between myself and Ulrik was originated as a way of concretizing the speculative relationship between artist and gallery. It could have taken many forms, but it was written in the language of a financial contract. Once verbalized it allowed for further abstraction of the relationship. For instance, when offered for sale it framed collecting as a simple transfer of artistic deed rather than a novel process separate from artistic production. Which means that it can trace out the often unacknowledged similarities between artists and collectors.

The work of an artist moves discursively and causes numerous associations *independent* of the person who made it. This movement is synonymous with the movement of material: one day it is taken up by someone to work toward a certain end, and on another day a whole different set of circumstances plays out with different ends, different people, different certainties. When seen in this way it shows how art is used as material from which to derive meaning, significance and positionality and how that derivation is subject to the needs of the people it serves at any given time. The symbol of the artwork as a signatory¹ to the artist's process appears to be contiguous to that process, which might be why the act of making work alienable and—thus salable—can feel like such a counterintuitive struggle. Art's status as underwriter to practice appears to constitutionally link the two realms of activity (product and process). This causes surprise when we find that this linkage is easily upset: artworks move of their own volition irrespective of that of its maker. Art develops meanings that disregard the intentions of the people who generate it, and for that we call it irascible or recalcitrant. A trait that artists, dealers and collectors share is a regard for this process that could be called prudence.

All three parties deal heavily in the careful accumulation and circulation of experiences. Perhaps there is a chain of transformations: artists transform experience into material, institutions turn it into knowledge and collections turn it into value. At the same time, these products are changed back into experience by an audience who circulates it as stories, memories, reports, opinions and waypoints for further thinking. With that in mind, what I am calling transformation might be better understood as accretion; a cumulative circulatory process of culture.

A useful trait of the Borrowers for me is that it delineates two seemingly contradictory processes: 1, the process of alienating an artwork from its milieu, and 2, the process of somehow continuing to make art, AKA, the process of continuing to ground the symbol of one's work to an art-historical position. It does this by demonstrating the artist as a supporting character, or funder, or signatory, who bolsters both the programming schedule of exhibition spaces, the transformation of their own (inherited) ideas into material form, and then finally, the transmission of that form through the carrier of the culture industry. In each of these instances the artist acts as partner to their supporters (as their gallerists, patrons, curators and critics are commonly called). But this contract makes clear that this transmission takes place not only by handing off the dead labor of the practice, but by transferring, via accretion, the role of practitioner: the accumulation of associations that the artist incurs, instead begin to coalesce around the work's new owner, its collector. In this case the contract stipulates what will happen:

¹ By signatory I mean that individual works of art act as signatories or underwriters to substantiate the practice of an artist as something that occurs across a multitude of productions and contexts. An artist's practice is triangulated by the cumulative effect of these signatory acts.

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I take this work as an occasion to think about how this cumulative effect actually occurs when any work of art is collected. The practice of association by possession begins to take place in the life of the collector *in addition to* the life of the artist. Concurrently the practice of possession by association also begins to occur in the lives of the artworks associates.

Typically a loan contract is written by the lender in such a fashion that the threat of financial discipline against the borrower is so great as to make the potential damages of default outway the cost of repayment. In this case the borrowers were able to write their contract on their own terms. As a result they are, as you might expect, not financially incentivised to repay the loan. But there may be other incentives. The borrower may find that their associations come with problems. They may seek to distance themselves from the lender if, for example, their relationship goes sour, or if a lender sells the debt to a new owner with whom the borrower does not wish to associate.

The remaining principal as of March 2023 is **\$226.84**. This relatively moderate sum of money is an abstraction that holds the borrowers and their lender in connection for as long as both parties choose. Two easy ways to sever this connection are 1, for the borrowers to repay the loan in full and 2, for the lender to sell the debt to a new party whom the borrowers will be obliged to relate to. At the time of writing, I have recently sold my ownership of the debt to Lars Friedrich. Meaning that Lars Friedrich has become the Lender and is entitled to all the rights stipulated by the contract. Lars Friedrich is also entitled to the right to sell the debt to a new collector who may or may not be a courteous partner. And of course that new proprietor could engage in a further sale, and so on.

In the US, debt can be sold after the borrower has stopped making payments on it. A lender will sell a so-called delinquent debt to a collector because the lender does not have the skillset required to collect money from people who have stopped paying. This is an amazing thing about financial debt to me—in a sense it is unenforceable; it can only be legally enforced as long as the borrower believes in the system of value that it is part of, but people often fall out of faith with that system for a variety of reasons. The specialization of a debt collector allows them to take what is regarded as waste or loss by a loan originator and extract value from it. To me this means that people who purchase debt are something like salvage agents. But this is only one way of purchasing debt in the US. The other way is that debts which are maintaining their payments can be pooled together in a process called securitization that averages out the individual differences between loans to amalgamate a standardized commodity that is an overdetermined blend of uncertainties and appellations. This is useful to banks because it allows the seller to free up capital that would otherwise be bound up in loan agreements and it allows the purchaser to speculate on the value of those agreements in relation to the outlook of the broader world to which they are a part. The outcome is that it increases the circulation of capital and allows the market to expand at a greater rate. I think these scenarios are useful framing for thinking about art collecting: finished artworks that leave the studio could be understood to have ceased creative circulation within the practice that originates them, while collecting puts them into a new circulatory mode and value context. Collectors have a completely different skill set than artists which enables them to value what is invaluable to others.

Because Ulrik has a 0% interest rate on this loan it can be assumed that after the initial outlay of purchasing materials for the exhibition *Minutes* they will no longer be paying, which means that the loan can be sold to a debt collector. But the 0% interest rate and lack of a stipulated payment schedule also means that they are not delinquent and that the loan can be securitized. When the debt was purchased, the relationship that it put me into with Ulrik transferred to the purchaser. The increase in circulation that this produced is interesting to me because this kind of contact and transference is a major, but unspoken part of exhibiting (for artists, institutions and collectors alike). All three parties gain in associative weight as their positions and labors are transferred among them. Interpretation of these associations plays a significant part in decisions made about the production, circulation and holding of art.

What is not written in the contract is the unwritten rule of all debts, which is that they can be forgiven at any time by the Lender, as so too might the lender find that their associations are ones they wish to survive or get out of. (*Jason Hirata*)