

SOTHEBYS  
Form 4  
September 29, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
WOODHEAD ROBIN

(Last) (First) (Middle)  
1334 YORK AVENUE  
(Street)

NEW YORK, NY 10021

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
SOTHEBYS [BID]

3. Date of Earliest Transaction (Month/Day/Year)  
09/27/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
EVP & CEO Soth. International

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	09/27/2006		M	50,000 A (1)	158,421 (2)	D	
Common Stock	09/27/2006		S	17,000 D \$ 32	141,421 (2)	D	
Common Stock	09/27/2006		S	200 D \$ 32.02	141,221 (2)	D	
Common Stock	09/27/2006		S	3,100 D \$ 32.03	138,121 (2)	D	
Common Stock	09/27/2006		S	3,100 D \$ 32.04	135,021 (2)	D	

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Common Stock	09/27/2006	S	300	D	\$ 32.05	134,721 <sup>(2)</sup>	D
Common Stock	09/27/2006	S	800	D	\$ 32.06	133,921 <sup>(2)</sup>	D
Common Stock	09/27/2006	S	1,900	D	\$ 32.07	132,021 <sup>(2)</sup>	D
Common Stock	09/27/2006	S	1,000	D	\$ 32.08	131,021 <sup>(2)</sup>	D
Common Stock	09/27/2006	S	3,700	D	\$ 32.09	127,321 <sup>(2)</sup>	D
Common Stock	09/27/2006	S	400	D	\$ 32.1	126,921 <sup>(2)</sup>	D
Common Stock	09/27/2006	S	900	D	\$ 32.11	126,021 <sup>(2)</sup>	D
Common Stock	09/27/2006	S	10,100	D	\$ 32.12	115,921 <sup>(2)</sup>	D
Common Stock	09/27/2006	S	3,300	D	\$ 32.13	112,621 <sup>(2)</sup>	D
Common Stock	09/27/2006	S	4,100	D	\$ 32.14	108,521 <sup>(2)</sup>	D
Common Stock	09/27/2006	S	100	D	\$ 32.16	108,421 <sup>(2)</sup>	D
Common Stock	09/28/2006	M	10,000	A	<u>(1)</u>	118,421 <sup>(2)</sup>	D
Common Stock	09/28/2006	S	10,000	D	\$ 31.75	108,421 <sup>(2)</sup>	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code V	(A) (D)		Title

					Date Exercisable	Expiration Date		Amount or Number of Shares
Employee Stock Option-Right to Buy <sup>(3)</sup>	\$ 18.875	09/27/2006	M	50,000	<u>(4)</u>	02/24/2010	Common Stock	50,000
Employee Stock Option-Right to Buy <sup>(3)</sup>	\$ 11.24	09/28/2006	M	10,000	<u>(5)</u>	09/28/2011	Common Stock	10,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WOODHEAD ROBIN 1334 YORK AVENUE NEW YORK, NY 10021	X		EVP & CEO Soth. International	

## Signatures

/s/ Robin  
Woodhead 09/29/2006

    Signature of  
Reporting Person Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Not Applicable
- (2) Includes 96,252 shares of unvested restricted stock
- (3) Granted under the Issuer's 1997 Employee Stock Option Plan
- (4) 20,000 stock options became exercisable on each of the following: 2/24/01, 2/24/02, 2/24/03, 2/24/04 and 2/24/05
- (5) 10,000 stock options became exercisable on 9/28/06

### Remarks:

The transactions reported on this Form 4 were pursuant to a 10b5-1 plan entered into by Mr. Woodhead on September 13, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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