

PILLSBURY DONALDSON C
Form 4
January 30, 2007

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
PILLSBURY DONALDSON C

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/29/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP & General Consl. & Secry.

NEW YORK, NY 10021

(City) (State) (Zip)

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

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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	01/29/2007		M		3,000 A <u>(1)</u> 35,569 <u>(2)</u>	D	
Common Stock	01/29/2007		S		3,000 D \$ 37 32,569 <u>(2)</u>	D	

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

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SEC 1474 (9-02)

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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)	Amount or Number of Shares
Employee Stock Option-Right to Buy ⁽³⁾	\$ 11.24	01/29/2007		M	3,000	⁽⁴⁾ 09/28/2011	Common Stock	3,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PILLSBURY DONALDSON C 1334 YORK AVENUE NEW YORK, NY 10021			EVP & General Consl. & Secry.	

Signatures

/s/ Jonathan A. Olsoff as Attorney-In-Fact 01/30/2007
**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 25,000 shares of unvested restricted stock.
- (3) Granted under the Issuer's 1997 Employee Stock Option Plan
- (4) 10,000 stock options became exercisable on each of the following: 9/28/02, 9/28/03, 9/28/05, 9/28/05 and 9/28/06.

Remarks:

The transactions reported on this Form 4 were pursuant to a 10b5-1 plan entered into by Mr. Pillsbury on December 14, 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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