SOTHEBYS

Form 4

September 17, 2007

Check this box

if no longer

obligations

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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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

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * STEWART DONALD M

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

SOTHEBYS [BID]

(Check all applicable)

(First) (Middle) (Last)

(Street)

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

X_ Director 10% Owner Officer (give title Other (specify

1334 YORK AVENUE 09/17/2007

2. Transaction Date 2A. Deemed

Code

below) 6. Individual or Joint/Group Filing(Check

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

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

(Instr. 4)

Person

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

NEW YORK, NY 10021

1.Title of

Security

(Instr. 3)

(City) (State) (Zip)

4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or

Disposed of (D)

5. Amount of Securities Beneficially Owned

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership

(Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) (A)

Following Reported Transaction(s)

or (Instr. 3 and 4) Code V Amount (D) Price

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

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SEC 1474 (9-02)

(Instr. 4)

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

1. Title of Derivative Conversion Security or Exercise (Instr. 3) Price of

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if (Month/Day/Year)

5. Number 4 Transaction of Derivative Code Securities (Instr. 8) Acquired

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of 8. P **Underlying Securities** Der (Instr. 3 and 4)

1

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Derivative (A) or Security Disposed of (D) (Instr. 3, 4, and 5) Code V (A) (D) Date Expiration Title Amount Exercisable Date orNumber of Shares Dividend Common (1) Equivalent (1) 09/17/2007 Α 28.59 28.59 Stock Rights

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STEWART DONALD M 1334 YORK AVENUE NEW YORK, NY 10021	X			

Signatures

/s/ Donaldson C. Pillsbury as
Attorney-In-Fact

**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).

The Dividend Equivalent Rights have accrued under the Sotheby's 1998 Stock Compensation Plan for Non-Employee Directors (as amended and restated, the "Plan") with respect to Deferred Stock Units received by the reporting person under the Plan. The Deferred Stock Units and the Dividend Equivalent Rights will be settled 100% in Sotheby's Common Stock (except that fractional shares, if any, will be settled in cash) after the reporting person's termination of service on the Sotheby's Board.

(2) Not Applicable

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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