

SOTHEBYS  
Form SC 13D/A  
October 24, 2013

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

**SCHEDULE 13D**  
**(Amendment No. 3)\***  
**Under the Securities Exchange Act of 1934**

**SOTHEBY S**  
**(Name of Issuer)**  
**Common Stock, par value \$0.01 per share**

**(Title of Class of Securities)**

**835898107**  
**(CUSIP Number)**

**Richard T. McGuire III**  
**Marcato Capital Management LLC**  
**One Montgomery Street, Suite 3250**

**San Francisco, CA 94104**

**(415) 796-6350**

**(Name, Address and Telephone Number of Person**

**Authorized to Receive Notices and Communications)**

***COPIES TO:***

**Patrick J. Dooley, Esq.**

**Akin Gump Strauss Hauer & Feld LLP**

**One Bryant Park**

**New York, NY 10036**

**(212) 872-1000**

**October 23, 2013**

**(Date of Event which Requires Filing of this Statement)**

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box "X".

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ( "Act" ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Continued on following page(s)



CUSIP No. 835898107

Page 2 of 9 Pages

**1** Names of Reporting Persons

MARCATO CAPITAL MANAGEMENT LLC

**2** Check the Appropriate Box If a Member of a Group (See Instructions)a. ☐ b. ☒**3** SEC Use Only**4** Source of Funds (See Instructions)

AF

**5** Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐**6** Citizenship or Place of Organization

DELAWARE

**7** Sole Voting Power

Number of

Shares

0

Beneficially

**8** Shared Voting Power

Owned By

Each

4,562,991

**9** Sole Dispositive Power

Reporting

Person

0

With

**10** Shared Dispositive Power

4,562,991

**11** Aggregate Amount Beneficially Owned by Each Reporting Person

4,562,991

**12** Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) ..

**13** Percent of Class Represented By Amount in Row (11)

6.68%

**14** Type of Reporting Person (See Instructions)

IA

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**1** Names of Reporting Persons

RICHARD T. MCGUIRE III

**2** Check the Appropriate Box If a Member of a Group (See Instructions)a. ☐ b. ☒**3** SEC Use Only**4** Source of Funds (See Instructions)

AF

**5** Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐**6** Citizenship or Place of Organization

UNITED STATES OF AMERICA

**7** Sole Voting Power

Number of

Shares

0

Beneficially

**8** Shared Voting Power

Owned By

Each

4,562,991

**9** Sole Dispositive Power

Reporting

Person

0

With

**10** Shared Dispositive Power

4,562,991

**11** Aggregate Amount Beneficially Owned by Each Reporting Person

4,562,991

**12** Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) ..

**13** Percent of Class Represented By Amount in Row (11)

6.68%

**14** Type of Reporting Person (See Instructions)

IN

CUSIP No. 835898107

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**1** Names of Reporting Persons

MARCATO, L.P.

**2** Check the Appropriate Box If a Member of a Group (See Instructions)a. ☐ b. ☒**3** SEC Use Only**4** Source of Funds (See Instructions)

WC

**5** Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐**6** Citizenship or Place of Organization

DELAWARE

**7** Sole Voting Power

Number of

Shares

0

Beneficially

**8**

Shared Voting Power

Owned By

Each

1,002,687

**9**

Sole Dispositive Power

Reporting

Person

0

With

**10**

Shared Dispositive Power

1,002,687

**11** Aggregate Amount Beneficially Owned by Each Reporting Person



1,002,687

**12** Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) ..

**13** Percent of Class Represented By Amount in Row (11)

1.47%

**14** Type of Reporting Person (See Instructions)

PN

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**1** Names of Reporting Persons

MARCATO II, L.P.

**2** Check the Appropriate Box If a Member of a Group (See Instructions)

a. ☐ b. ☒

**3** SEC Use Only

**4** Source of Funds (See Instructions)

WC

**5** Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐

**6** Citizenship or Place of Organization

DELAWARE

**7** Sole Voting Power

Number of

Shares

0

Beneficially

**8** Shared Voting Power

Owned By

Each

70,526

**9** Sole Dispositive Power

Reporting

Person

0

With

**10** Shared Dispositive Power

70,526

**11** Aggregate Amount Beneficially Owned by Each Reporting Person

70,526

**12** Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) ..

**13** Percent of Class Represented By Amount in Row (11)

0.10%

**14** Type of Reporting Person (See Instructions)

PN

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**1** Names of Reporting Persons

MARCATO INTERNATIONAL MASTER FUND, LTD.

**2** Check the Appropriate Box If a Member of a Group (See Instructions)a. ☐ b. ☒**3** SEC Use Only**4** Source of Funds (See Instructions)

WC

**5** Check Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐**6** Citizenship or Place of Organization

CAYMAN ISLANDS

**7** Sole Voting Power

Number of

Shares

0

Beneficially

**8**

Shared Voting Power

Owned By

Each

3,489,778

**9**

Sole Dispositive Power

Reporting

Person

0

With

**10**

Shared Dispositive Power

3,489,778

**11** Aggregate Amount Beneficially Owned by Each Reporting Person

3,489,778

**12** Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) ..

**13** Percent of Class Represented By Amount in Row (11)

5.11%

**14** Type of Reporting Person (See Instructions)

OO

**SCHEDULE 13D**

This Amendment No. 3 supplements the information set forth in the Schedule 13D filed by the Reporting Persons with the United States Securities and Exchange Commission (the "SEC") on July 30, 2013, as amended from time to time (the "Schedule 13D"), relating to Common Stock, par value \$0.01 per share (the "Shares"), of Sotheby's, a Delaware corporation (the "Issuer"). All capitalized terms contained herein but not otherwise defined shall have the meanings ascribed to such terms in the Schedule 13D.

The information set forth in response to each separate Item below shall be deemed to be a response to all Items where such information is relevant. The Schedule 13D is hereby supplementally amended as follows:

**Item 3. Source and Amount of Funds or Other Consideration.**

The responses to Items 4, 5 and 6 of the Schedule 13D are incorporated herein by reference.

The net investment costs (including commissions, if any) of the Shares directly owned by the private investment funds advised by Marcato is approximately \$189,291,086.

**Item 4. Purpose of Transaction.**

The responses to Items 3, 5 and 6 of the Schedule 13D are incorporated herein by reference.

Attached hereto at Exhibit 3 is a presentation made by Marcato at the Excellence in Investing: San Francisco conference on October 23, 2013.

**Item 5. Interest in Securities of the Issuer.**

(a) (e) As of the date hereof, (i) Marcato and Mr. McGuire may be deemed to be the beneficial owners of 4,562,991 Shares (the "Marcato Shares") constituting 6.68% of the Shares, (ii) Marcato, L.P. may be deemed to be the beneficial owner of 1,002,687 Shares, constituting 1.47% of the Shares, (iii) Marcato II, L.P. may be deemed to be the beneficial owner of 70,526 Shares, constituting 0.10% of the Shares and (iv) Marcato International Master Fund, Ltd. may be deemed to be the beneficial owner of 3,489,778 Shares, constituting 5.11% of the Shares, each based upon a total of 68,337,055 Shares outstanding as of July 31, 2013 (based on the Issuer's Quarterly Report on Form 10-Q for the period ending June 30, 2013).

Marcato, L.P. may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) 1,002,687 Shares. Marcato II, L.P. may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) 70,526 Shares. Marcato International Master Fund, Ltd. may be deemed to have the shared power to vote or direct vote of (and the shared power to dispose or direct the disposition of) 3,489,778 Shares. Marcato, as the general partner of Marcato, L.P., Marcato II, L.P. and the investment manager of Marcato International Master Fund, Ltd., may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) the Marcato Shares. By virtue of Mr. McGuire's position as managing member of Marcato, Mr. McGuire may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) the Marcato Shares and, therefore, Mr. McGuire may be deemed to be the beneficial owner of the Marcato Shares.

The transactions by the Reporting Persons in the securities of the Issuer during the past sixty days are set forth in Exhibit 2.

The limited partners of (or investors in) each of Marcato, L.P., Marcato II, L.P., and Marcato International Master Fund, Ltd., or their respective subsidiaries or affiliated entities, for which Marcato or its affiliates acts as general partner and/or investment manager have the right to participate in the receipt of dividends from, or proceeds from the sale of, the Shares held for the accounts of their respective funds in accordance with their respective limited partnership interests (or investment percentages) in their respective funds.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

The responses to Items 3, 4 and 5 of the Schedule 13D are incorporated herein by reference.

As previously disclosed, certain of the Reporting Persons have entered into swaps with respect to the Shares. The number of shares specified in such swaps is 345,592 with respect to Marcato, L.P., 23,916 with respect to Marcato II, L.P., and 1,228,892 with respect to Marcato International Master Fund, Ltd.

Except for the arrangements described herein, to the best knowledge of the Reporting Persons, there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any other person with respect to any securities of the Issuer, including but not limited to, transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

**Item 7. Material to be Filed as Exhibits.**

Exhibit 2 Transactions in the Shares effected in the past 60 days.

Exhibit 3 Presentation, dated as of October 23, 2013.

## SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Date: October 24, 2013

MARCATO CAPITAL MANAGEMENT LLC

By: /s/ Richard T. McGuire III  
Richard T. McGuire III  
Managing Member

Date: October 24, 2013

RICHARD T. MCGUIRE III

By: /s/ Richard T. McGuire III

Date: October 24, 2013

MARCATO, L.P.

By: Marcato Capital Management LLC, its General Partner

By: /s/ Richard T. McGuire III  
Richard T. McGuire III  
Managing Member

Date: October 24, 2013

MARCATO II, L.P.

By: Marcato Capital Management LLC, its General Partner

By: /s/ Richard T. McGuire III  
Richard T. McGuire III  
Managing Member

Date: October 24, 2013

MARCATO INTERNATIONAL MASTER FUND, LTD.

By: /s/ Richard T. McGuire III  
Richard T. McGuire III  
Director