

SOTHEBYS  
Form DFAN14A  
April 24, 2014

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

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant ☐

Filed by a Party other than the Registrant ☒

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))
- ☐ Definitive Proxy Statement
- ☒ Definitive Additional Materials
- ☐ Soliciting Material Under Rule 14a-12

**SOTHEBY S**

**(Name of the Registrant as Specified in its Charter)**

**THIRD POINT LLC**

**THIRD POINT OFFSHORE MASTER FUND L.P.**

**THIRD POINT ULTRA MASTER FUND L.P.**

**THIRD POINT PARTNERS L.P.**

**THIRD POINT PARTNERS QUALIFIED L.P.**

**THIRD POINT REINSURANCE CO. LTD.**

**LYXOR/THIRD POINT FUND LIMITED**

**THIRD POINT ADVISORS LLC**

**THIRD POINT ADVISORS II LLC**

**DANIEL S. LOEB**

**HARRY J. WILSON**

**OLIVIER REZA**

**(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

This filing includes (i) a press release issued by Third Point LLC ( Third Point ) on April 24, 2014, in connection with the ISS recommendation that shareholders vote the white proxy card for Third Point nominees Daniel S. Loeb and Olivier Reza, (ii) a revised slide to the investor presentation originally filed on April 14, 2014, available at [www.ValueSothebys.com](http://www.ValueSothebys.com), and (iii) two screenshots of [www.ValueSothebys.com](http://www.ValueSothebys.com), as revised on April 24, 2014.

\*\*\*

On March 28, 2014, Third Point, certain of its affiliates and associates, Mr. Harry J. Wilson, and Mr. Olivier Reza (the Group ) filed with the Securities and Exchange Commission (the SEC ) and began distributing to Sotheby s stockholders a definitive proxy statement (the Proxy Statement ) in connection with Sotheby s 2014 annual meeting of stockholders. THIRD POINT STRONGLY ADVISES ALL STOCKHOLDERS OF SOTHEBY S TO READ THE GROUP S PROXY STATEMENT BECAUSE IT CONTAINS IMPORTANT INFORMATION, INCLUDING INFORMATION RELATING TO THE GROUP S PARTICIPANTS IN SUCH PROXY SOLICITATION. THE GROUP S PROXY STATEMENT, AS FILED, AND ANY FURTHER AMENDMENTS, SUPPLEMENTS OR OTHER RELEVANT PROXY SOLICITATION DOCUMENTS WILL BE AVAILABLE AT NO CHARGE ON THE SEC S WEBSITE AT [HTTP://WWW.SEC.GOV](http://WWW.SEC.GOV).

Below is a press release issued by Third Point on April 24, 2014, in connection with the ISS recommendation that shareholders vote the white proxy card for Third Point nominees Daniel S. Loeb and Olivier Reza.

\*\*\*

**FOR IMMEDIATE RELEASE**

**ISS Recommends Shareholders Vote the White Proxy Card for Third Point (NYSE: TPRE; LSE: TPOU LN) Nominees at Sotheby's Annual Meeting**

**NEW YORK, NEW YORK, April 24, 2014:** Third Point announced today that Institutional Shareholder Services (ISS), the nation's leading independent proxy advisory firm, has recommended that all of their institutional shareholder clients vote Third Point's white proxy card at the Annual Meeting to be held on May 6, 2014.

Dear Fellow Shareholder:

Today, ISS resoundingly concluded that Sotheby's Board needs change and that Shareholder Slate nominees Daniel S. Loeb and Olivier Reza have the necessary expertise to bring it about. ISS was critical of the Board's bloated expense practices and failure to pursue growth opportunities. They also rebuked Sotheby's habitual practice of misleading shareholders by mischaracterizing the Company's financial results.

This morning, Sotheby's responded to ISS's report favoring Third Point's nominees with an astounding press release that demonstrates the Company's preferred approach to confronting uncomfortable truths: to simply ignore them. Their statement trumpeted strong, long-term performance and superior value creation in the face of an ISS report that employs over 30 pages of independent, detailed analysis to reach precisely the opposite conclusion. Similarly, while ISS catalogued how the dissidents have made a compelling case for change at the Board level, consistent with its prior misinformation campaigns, Sotheby's flatly ignored this conclusion and insisted that Mr. Loeb has made no case that change is warranted. To dismiss ISS's well-reasoned, respected analysis out-of-hand either shows that this Board is in complete denial or demonstrates a cognitive dissonance which alone should convince shareholders to support Third Point's nominees.

**ISS's Indictment of Sotheby's Bloated Expense Practices and Failure to Grow**

We were pleased that ISS shared the Shareholder Slate's view that both a lack of expense discipline and failure to pursue new growth opportunities have diminished Sotheby's value.

In making its recommendation that shareholders vote the white card, ISS stated:

*Given the compelling case the dissidents have presented that **the company's own financial performance, and particularly its weakened expense control, is substantially worse than its own record would suggest is possible, and the***

*evidence that it has not only lost significant opportunities to realize shareholder value through that lack of expense discipline, but may be missing still more by not failing to take a more strategic view of how it organizes and conducts its business, it appears that introducing some change into the boardroom is warranted.*

**ISS's Commentary on Sotheby's Consistent Pattern of Misrepresenting its Results**

ISS noted the Company's disingenuous and misleading characterizations of its own financial results, which we have highlighted throughout our campaign for change as evidence of a Board that is either asleep at the switch or engaging in the habitual practice of misleading shareholders. ISS said:

*Looking at record revenue in 2013 is **misleading**: 2013 revenue was up 11.1% over 2012, as the company has noted but it was also only up 10.3% over the past three years, because it has not grown consistently.*

*The board's assertion that expenses have grown an average of 0.5% per year since 2007 is **deeply disingenuous**: when the financial crisis hit, the company responded by cutting operating expense by 30%. Since then, however, it has added back all that expense and then some. Netting these two enormous changes to an average of 0.5% per year since 2007 **utterly misrepresents the board's actions, good and bad.***

ISS questioned, as we have, the Company's characterization that 2013 was a record year for its business. Incredibly, despite widespread criticism of this misrepresentation, Sotheby's used it again in its pre-earnings press release issued yesterday. Yesterday's release stands as yet another example of the Board's inability to deal in data-driven reality, which we have seen repeatedly throughout the proxy season.

**ISS Believes Shareholder Slate Nominees Daniel S. Loeb and Olivier Reza Bring Key, Relevant Experience Not Currently Present on the Board**

ISS endorsed our nominee Daniel S. Loeb for his owner's perspective, financial and analytic acumen, and deep knowledge of the art market. They said:

*Loeb is an active collector as well. He is also a significant owner, at 9.7%, and brings the sort of deep financial and analytic acumen which, had it also been given voice in the boardroom over the past four years, might have prevented a record year in which the company's second-highest revenues in a decade could only deliver one of its lowest EBITDA margins of the same period. In an interview, moreover, he is articulate and compelling about how, exactly, the company's current practices are causing it to overlook potentially significant opportunities to build long term value.*

As to nominee Olivier Reza, ISS said he brings relevant and important experience that the Board currently lacks, writing:

*Reza in particular stands out for the depth of his insights into how the company is currently missing out on strategic opportunities to build its brand, connect more fully with its clients, and increase its competitiveness in both the auction and the private sales venues. Reza has a decade of experience as an investment banker at Lazard, which should speak to his ability to understand the business implications of competing strategic opportunities. As a frequent client of firms like Sotheby's, consigning and buying for Reza Gem, however, he appears to have developed a particularly useful perspective which does not appear to have a voice in the current boardroom.*

**We Urge You to Support the Full Shareholder Slate**

In recognizing that change is warranted at Sotheby's and expense control is essential, we strongly believe that Harry J. Wilson's qualifications make him a critical addition to the Board. Harry is a nationally-recognized expert in restructuring complex companies, having led the U.S. Treasury's restructuring of General Motors, among others. Harry has served on numerous public company boards and combines a reputation for disciplined expense management with a consensus-building, collaborative approach to board service. Select examples include:

Harry was a key member of the Shareholder Slate that revitalized Yahoo! Inc. and created substantial value.

Harry joined the board of Visteon, an \$8 billion Tier 1 auto parts supplier, at the behest of shareholders. Since Harry helped to lead a transition of the old Board and management team in the summer of 2012, Visteon's stock has tripled.

Recently, Harry left the board of YRC Worldwide, a \$5 billion trucking business, where he led a restructuring, spearheaded the hiring of a new Board and new management team, and joined the Board himself. These actions have led to a near quintupling of EBITDA over the past 3 years and a near quadrupling of the stock price in less than 2 years.

If shareholders agree with ISS and Third Point's diagnosis that Sotheby's bloated expenses are diminishing value, they should vote for Harry along with Olivier and Dan.

We believe it is critical for all shareholders to vote the white card for all three of our nominees today so we can begin a new chapter in Sotheby's history. Please visit [www.valuesothebys.com](http://www.valuesothebys.com) for more information about the Shareholder Slate.

Thank you for your continuing support.

Sincerely,

Daniel S. Loeb  
Third Point LLC

+++++  
**Note:** Permission to include published material in this press release was neither sought nor obtained. Emphasis added is exclusively Third Point's own.

**About Third Point LLC:** Third Point LLC is an SEC-registered investment adviser headquartered in New York, managing over \$14 billion in assets. Founded in 1995, Third Point follows an event-driven approach to investing globally.

**Contact:**

Elissa Doyle

Managing Director, Third Point LLC

[edoyle@thirdpoint.com](mailto:edoyle@thirdpoint.com) or 212.715.4907

**Important Information:** Your Vote Is Important, No Matter How Many Or How Few Shares You Own. If you have questions about how to vote your shares, or need additional assistance, please contact the firm assisting us in the solicitation of proxies:

**INNISFREE M&A INCORPORATED**

**Stockholders Call Toll-Free: (888) 750-5834**

**Banks and Brokers May Call Collect: (212) 750-5833**

**REMEMBER:** We urge you NOT to sign any Green proxy card sent to you by Sotheby's. If you have already done so, you have every right to change your vote by signing, dating and returning the enclosed **WHITE** proxy card **TODAY** in the postage-paid envelope provided. If you hold your shares in Street-name, your custodian may also enable voting by telephone or by Internet please follow the simple instructions provided on your **WHITE** proxy card.



Below is a revised slide to the investor presentation originally filed on April 14, 2014, available at [www.ValueSothebys.com](http://www.ValueSothebys.com).

\*\*\*

### Event Driven Investment Strategy

Focused on special situation investing across capital structures  
Proven Track Record

Produced average net annualized returns since inception in 1995 of 21.2% while the CS/Tremont Event Driven Index, HFRI E and S&P 500 have returned 10.0%, 10.4%, and 8.9%, respectively, over the same period  
Successful Activist Investor

Bloomberg recently highlighted how three Third Point activist investments (Yahoo!, CF Industries, Murphy Oil) delivered returns to shareholders that beat the S&P 500 in an infographic entitled, *Activists Beat S&P 500 in 48 Percent Gain for Shareholders*.

At Yahoo!, Third Point helped create approximately \$15 billion of value for shareholders, as the share price increased over 85% during its tenure. Three Third Point directors served on the board from May 2012 until July 2013.

Third Point LLC is an investment adviser based in New York

Note: all returns calculated for Third Point Partners L.P. and S&P from inception (June 1995) through 3/31/14; all references to

Driven Index reflect performance calculated through 2/28/14

Source: Third

Point

LLC;

Bloomberg

infographic

Activists

Beat

S&P

500

in

48

Percent

Gain

for

Shareholders

from

March

31,

2014

Third Point LLC ( Third Point ) is an SEC-registered investment adviser based in New York

Approximately \$14.5 billion under management

Founder

and

CEO,

Daniel

S.

Loeb,

has

over

28

years

of

experience

in

the

financial

markets

Firm Overview

Third Point Highlights

Third Point Overview

Below are two screenshots of [www.ValueSothebys.com](http://www.ValueSothebys.com), as revised on April 24, 2014.

\*\*\*



