

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA : Criminal No. 01 CR 429 (GBD)

v. : Filed: May 2, 2001

A. ALFRED TAUBMAN and : Violation: 15 U.S.C. § 1
ANTHONY J. TENNANT;

:
Defendants.

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INDICTMENT

SHERMAN ACT CONSPIRACY
(15 U.S.C. §1)

The Grand Jury charges:

1. A. Alfred Taubman and Anthony J. Tennant are hereby indicted and made defendants on the charge stated below.

I.

DEFENDANTS AND CO-CONSPIRATORS

2. During the period charged in this indictment, defendant A. Alfred Taubman was chairman of the board of Sotheby's Holdings, Inc. ("Sotheby's"), a corporation organized under the laws of the State of Michigan with a principal place of business in New York, New York. Sotheby's, together with its subsidiaries, conducted auctions of, among other things, works of art, jewelry and furniture. Taubman was a resident of Bloomfield Hills, Michigan.

3. During the period from January 1993 to September 1998, defendant Anthony J. Tennant was a member of the board of directors of Christie's International plc ("Christie's"). During the period from May 1993 to May 1996, Tennant was chairman of the board of directors of Christie's. Christie's was a corporation organized and existing under the laws of the United Kingdom with a principal place of business in New York, New York. Christie's, together with its subsidiaries, conducted auctions of, among other things, works of art, jewelry and furniture. Tennant was a resident of the United Kingdom.

4. Various corporations and individuals, not made defendants herein, participated as co-conspirators in the offense charged herein and performed acts and made statements in furtherance thereof.

II.

TRADE AND COMMERCE

5. During the period covered by this Indictment, Sotheby's and Christie's accepted goods on consignment from sellers located throughout the United States and elsewhere for sale at auctions in New York, New York and elsewhere. At auctions held in New York, New York, buyers from throughout the United States and elsewhere purchased goods, a substantial quantity of which were shipped throughout the United States and elsewhere.

6. As payment for auction services, sellers made payments, known

as sellers' commissions, to the auction houses. Generally, the commissions were a percentage of the sale price of the goods sold at auction. During the period covered by this Indictment, Sotheby's and Christie's revenues from sellers' commissions were at least \$400 million in the United States.

7. The business activities of the defendants and co-conspirators that are the subject of this Indictment were within the flow of, and substantially affected, interstate and foreign trade and commerce.

III.

DESCRIPTION OF THE OFFENSE

8. Beginning at least as early as February 1993 and continuing until at least December 1999, the exact dates being unknown to the Grand Jury, the defendants and co-conspirators engaged in a combination and conspiracy in unreasonable restraint of interstate and foreign trade and commerce in violation of Section 1 of the Sherman Act (Title 15, United States Code, Section 1).

9. The aforesaid combination and conspiracy consisted of a continuing agreement, understanding and concert of action by defendants and co-conspirators, the substantial term of which was to fix auction commission rates charged to sellers in the United States and elsewhere.

10. For the purpose of forming and effectuating the charged combination and conspiracy, the defendants and co-conspirators did those things which they combined and conspired to do, including, among other things:

- (a) participating in meetings and conversations in the United States and elsewhere to discuss sellers' commission rates;
- (b) agreeing to raise prices by fixing sellers' commission rates;
- (c) agreeing to publish non-negotiable sellers' commission rate schedules;
- (d) agreeing to the order in which Christie's and Sotheby's would publish their non-negotiable sellers' commission rate schedules;
- (e) issuing sellers' commission rate schedules in accordance with the agreement reached;
- (f) exchanging customer information for the purpose of monitoring and enforcing adherence to the non-negotiable sellers' commission schedules; and
- (g) agreeing on other terms relating to prices charged to sellers.

IV.

JURISDICTION AND VENUE

11. The aforesaid combination and conspiracy was formed and carried out, in part, within the Southern District of New York within the five years preceding the filing of this Indictment.

IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1

Dated: A True Bill

Foreperson

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