

Paper given April 30

" We have now taken steps to try to ensure that we make no more disparaging comments or knocking comments to the media, in proposals or in comment to interested individuals. The third will be most difficult because 500 people are involved.

We have ceased making claims to the media about market share. As from Sept 93 we will give no straight guarantees, make no advances on single lots, make no loans below LIBOR and offer trade vendors nothing better than 5% with vendor paying his own insurance.

We will not offer more than 90 days credit to trade buyers. Introductory commissions to third parties will not exceed 1% of the premium where there is no vendors commission.

We will not make any offers to vendors already contracted by signed agreement to you (we do not do this anyway).

We are prepared to continue cooperating on heritage issues and credit control + in relation to intermediaries such as Gurn, Johns.

If we see you cease to make charitable donations we will cease too. CMJ now knows of these conversations. Perhaps JJ Books should know too. Otherwise no one? "

This copied verbatim. Accompanied by verbal assurance we would like to go further if we can make satisfactory progress.

Book handed over + Email with 3 U.S. examples. No copy kept. Their turn next.

DDB + M.A. Know. Now to be DDB only. Given CMJ home number. To call Tues. or Wed evening.

**DOE** On Koefer we have opportunity to get it right. Not settled yet.. invited to propose.

All points in written piece verbally agreed. Comment re market share - Press will make their own calculations

We undertook to have Gurn Johns looked into + come back

Re Sothebys stock. He said they acquired a lot as an investment at good prices!

CHR 51097  
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Re ~~to~~ <sup>guarantees</sup> he asked if I meant he would do no more "Christie guarantees". I said I did not mean that.

X He also undertook they would come back re Simon Dickinson

They gave no guarantees on last week's modern American sale. He thinks we gave a lot. Why? DDB

[ My date of September makes sense but lets try and act earlier because big stuff for the autumn is fixed July / August.

On Wmeyer J.R. told him we had ~~made~~ <sup>promised</sup> non refundable non recourse advance right away. We would have all the risk of a guarantee with no upside benefit. We will barely break even at \$8m. We have to do \$10m to make very small profit. Crazy.

When they give a guarantee they always share the upside. Their proposal was based on \$5 - \$8 m estimate. They reckoned it would cost them \$450,000 to sell the stuff. They would have taken first \$450,000 of proceeds. The next \$150,000 would have been split 50/50. Everything above that 75/25.

On Marlene Dietrich S.L. and C.B. said we would be prepared to lose money to get the deal. DDB.

A schedule exists. We should get back to it. 15% down ~~words~~ <sup>words</sup> on a sliding scale. At \$1 bn. sales we would each make \$50m+. ~~He~~ 100 industries, banks etc. all do it without talking about it. We should set up our own schedules. They do not have to be identical but they could be, provided that we do not say that we match one another. It is easier for us than for people dealing in goods which can be priced exactly. With a sliding scale based on value there

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should be no <sup>legal</sup> problem because you cannot ~~to~~ price fix a unique object.

They are now considering publishing a scale as with the buyers' premium.

They are considering 4% or 5% vendors commission over \$100,000 with 1 point less to the trade up to \$1m.

Over \$1m 3% with 2% for the trade.

They would never "break in on" the buyers' premium. They would never make interest free non-refundable advances.

They would like to return to the traditional agreement not to poach one another's people.

If anyone wants to bargain on their new scale they will tell them to go elsewhere.

Everything should be monitored and checked back if need be.

He and I should now withdraw but stay in touch with a view to seeing how things go and intervening from on high if need be.