1077-91-1182 **Steven J. Brams**, **Todd R. Kaplan** and **D. Marc Kilgour*** (mkilgour@wlu.ca), Department of Mathematics, Wilfrid Laurier University, 75 University Avenue, Waterloo, ON N2L3C5, Canada. *A Simple Bargaining Mechanism That Elicits Truthful Reservation Prices.*

We describe a simple 2-stage mechanism that induces two bargainers to be truthful in reporting their reservation prices in a 1st stage. If these prices criss-cross, the referee reports that they overlap, and the bargainers proceed to make offers in a 2nd stage. The average of the 2nd-stage offers becomes the settlement if both offers fall into the overlap interval; if only one offer falls into this interval, it is the settlement, but is implemented with probability $\frac{1}{2}$; if neither offer falls into the interval, there is no settlement. Thus, if the bargainers reach the 2nd stage, they know their reservation prices overlap even if they fail to reach a settlement, possibly motivating them to try again. (Received September 17, 2011)