

Yahoo! co-founder Jerry Yang resigns, shares jump (Update)

January 17 2012



Jerry Yang, pictured in 2008, who co-founded Yahoo! nearly 17 years ago and had an ill-fated stint as chief executive, resigned on Tuesday from all of his positions with the struggling Internet company.

Jerry Yang, who co-founded Yahoo! nearly 17 years ago and had an ill-fated stint as chief executive, abruptly resigned from all of his positions with the struggling Internet company.

Yang, 43, a Web pioneer and one of the original dotcom billionaires, stepped down, effective immediately, from the board of directors of Yahoo! and from the boards of Yahoo! Japan and Alibaba Group Holding Ltd.

Yahoo! shares rose more than 3.5 percent to \$15.99 in after-hours trading following the announcement that Yang was leaving the

Sunnyvale, California, company.

Yahoo! did not name a replacement for Yang on the board and technology blog All Things Digital, citing sources close to the situation, said four other board members may also step down soon, including chairman Roy Bostock.

In a letter to Bostock, Yang, who held the title of "Chief Yahoo!," said "my time at Yahoo!, from its founding to the present, has encompassed some of the most exciting and rewarding experiences of my life. However, the time has come for me to pursue other interests outside of Yahoo!

"I am enthusiastic about the appointment of Scott Thompson as Chief Executive Officer and his ability, along with the entire Yahoo! leadership team, to guide Yahoo! into an exciting and successful future," Yang said.

Bostock, in a statement, described Yang as a "visionary and a pioneer, who has contributed enormously to Yahoo! during his many years of service.

"He has always remained focused on the best interests of Yahoo!'s stakeholders, including shareholders, employees and more than 700 million users," he said.

"And while I and the entire board respect his decision, we will miss his remarkable perspective, vision and wise counsel," Bostock said.

Yang co-founded Yahoo! in 1995 with David Filo and the company went public the following year.

Yang served as chief executive of Yahoo! from June 2007 to January

2009, during which time he notably turned down a \$47 billion takeover bid from Microsoft, earning the ire of many shareholders.

Thompson, who was named CEO just two weeks ago, replacing Carol Bartz, who was fired in September, said Yang "leaves behind a legacy of innovation and customer focus for this iconic brand.

"Jerry has great confidence in the future of Yahoo!, and I share his confidence in the enormous potential of Yahoo! in the days ahead," Thompson said.

Since Bartz's departure in September, Yahoo!'s board has reportedly been looking at selling all or part of the company and Yang was seen as a fierce opponent of a breakup by some shareholders.

Yang owns 3.6 percent of Yahoo!'s shares and has a net worth of \$1.1 billion, according to Forbes.

Analyst Jon Ogg of 247wallst.com said Yang's departure was "classified as a resignation" but "in reality this is a force-out."

"Needless to say, many investors are going to be glad to see Jerry Yang out of the way," Ogg said.

"Yahoo! is barely half of its market value today compared to when Microsoft Corporation made its buyout offer," he said.

Global Equities Research analyst Trip Chowdhry said Yang's departure was a "good move, but not enough."

"The current board has to be dissolved too," Chowdhry said, adding that it was "also out of touch with the trends impacting the Internet Industry."

Microsoft has reportedly been collaborating with private investors to assemble another multi-billion-dollar offer for Yahoo!

At least nine private equity firms are also reported to be eyeing Yahoo! and its global audience of 700 million monthly visitors to the company's various websites, including Yahoo! News, Yahoo! Finance and Yahoo! Sports.

Online commerce titan Alibaba is 43 percent owned by Yahoo! and Alibaba Group chairman Jack Ma has a long-standing offer to buy all or part of Yahoo!

Yahoo! has strong content and popular websites, but has been losing online advertising business to search giant Google, social networking king Facebook and specialized websites.

Jerry Yang, Internet pioneer and dotcom billionaire

Jerry Yang built Yahoo! into an online colossus but the co-founder of the Internet pioneer has become a lightning rod for investor criticism of the recent management of the company.

Yang resigned on Tuesday from the Yahoo! board of directors and all of his other positions at the company he founded nearly 17 years ago, saying the time has come for him to "pursue other interests."

Born in Taiwan on November 6, 1968, Yang moved to the United States with his family when he was around 10 years old and was raised in San Jose, California.

While studying electrical engineering at Stanford University in California, Yang and a classmate, David Filo, created a directory for websites in their spare time called "Jerry's Guide to the World Wide

Web."

They founded Internet portal Yahoo! in 1995 and Yang became one of the original Silicon Valley dotcom billionaires the following year when the Sunnyvale, California-based company went public.

Yahoo! survived the bursting of the dotcom bubble five years later and despite its recent struggles has remained one of the most popular sites on the Web, drawing millions of users a day as a gateway to the Internet.

However, despite its strong content and popular websites, Yahoo! has been losing online advertising business to search giant Google, social networking king Facebook and specialized websites.

Yang served as chief executive of Yahoo! from June 2007 to January 2009, during which time he notably turned down a \$33-a-share offer by Microsoft for Yahoo! worth a total of more than \$47 billion.

The rejection of the Microsoft bid earned Yang the ire of many shareholders and accusations that he was putting his personal affection for the company he created over the interests of investors.

Yahoo! shares rose more than 3.5 percent to \$15.99 in after-hours trading following Tuesday's announcement that Yang was stepping down from the board of Yahoo! and from the boards of Yahoo! Japan and Alibaba Group Holding Ltd.

In a letter to Roy Bostock, the chairman of the Yahoo! board, Yang said "my time at Yahoo!, from its founding to the present, has encompassed some of the most exciting and rewarding experiences of my life. However, the time has come for me to pursue other interests outside of Yahoo!"

Bostock described Yang as a "visionary and a pioneer, who has contributed enormously to Yahoo! during his many years of service.

"He has always remained focused on the best interests of Yahoo!'s stakeholders, including shareholders, employees and more than 700 million users," he said.

"And while I and the entire board respect his decision, we will miss his remarkable perspective, vision and wise counsel," Bostock said.

Scott Thompson, who was named Yahoo!'s chief executive nearly two weeks ago, replacing Carol Bartz, who was fired in September, said Yang "leaves behind a legacy of innovation and customer focus for this iconic brand.

Since Bartz's departure in September, Yahoo!'s board has reportedly been looking at selling all or part of the company and Yang was seen by some shareholders as a fierce opponent of a breakup.

According to Forbes magazine, Yang is the 938th richest person in the world with a fortune estimated at \$1.1 billion. He still owns around 3.6 percent of Yahoo!'s shares.

(c) 2012 AFP

Citation: Yahoo! co-founder Jerry Yang resigns, shares jump (Update) (2012, January 17) retrieved 29 April 2024 from

<https://phys.org/news/2012-01-yahoo-co-founder-jerry-yang-resigns.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--