

Yahoo board battle may begin within the next week

March 15 2012, By MICHAEL LIEDTKE , AP Technology Writer

(AP) -- A potentially nasty battle to reshape Yahoo's board of directors will begin within the next week unless the troubled Internet company submits to the demands of a major shareholder.

Third Point LLC, a [hedge fund](#) that owns a 5.8 percent stake in [Yahoo](#), issued its ultimatum in a letter Wednesday to company CEO [Scott Thompson](#).

The letter, released in a regulatory filing, comes a month after Third Point first announced that it wanted four seats on a Yahoo board already undergoing an overhaul.

The board currently consists of 11 directors, but Chairman Roy Bostock and three other members announced they will step down at Yahoo's annual meeting. The departures are part of an attempt to placate shareholders frustrated with a long-running financial funk that has depressed the company's [stock price](#).

Third Point believes Yahoo would fare better if the hedge fund's representatives were in the boardroom. Third Point's proposed directors are: Daniel Loeb, the hedge fund's manager; former NBC Universal CEO Jeff Zucker; former MTV Networks executive Michael Wolf and turnaround specialist Harry Wilson.

In Wednesday's letter, Loeb told Thompson he was disappointed with Yahoo's "dismissive" attitude toward Third Point's candidates since the

two men spoke in a Feb. 17 conversation.

"The board's stonewalling, apparent insouciance and decision not to engage with us in a serious manner, has left us no choice but to directly approach our fellow owners" in an attempt to get Third Point's slate elected as directors, Loeb wrote.

In a statement, Yahoo said its board's nominating committee is still considering "a wide range of highly qualified candidates" for its board. The company appointed two new directors, Alfred Amoroso and Maynard Webb, to its board last month.

"The committee has included Third Point's candidates in its thorough review process and will make its recommendations to the full board in due course," Yahoo said.

Unless Yahoo accepts Third Point's candidates on the board, Loeb pledged to begin his campaign within the next week. That could lead to a showdown that culminates at Yahoo's annual meeting, which is usually held in late June.

The mutiny would threaten to distract Thompson as he plots his turnaround strategy. Citing unnamed people, the technology blog All Things D recently reported Thompson is considering a tumultuous shake-up that could include thousands of job cuts.

Yahoo has only said it "is engaged in a process that will generate significant strategic change."

Given those plans Loeb urged Thompson to negotiate a truce. "You appear to have enough battles to fight already," Loeb wrote.

Yahoo shares rose 5 cents to \$14.68 in Wednesday's extending trading.

©2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Yahoo board battle may begin within the next week (2012, March 15) retrieved 12 May 2024 from <https://phys.org/news/2012-03-yahoo-board-week.html>

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.