

Source: Yahoo CEO says he didn't mislead company

MICHAEL LIEDTKE - AP Technology Writer - Associated Press

Yahoo CEO Scott Thompson is assuring his colleagues that he didn't supply the incorrect information that led the troubled Internet company to list a bogus college degree in his official biography, according to a person familiar with the matter.

Thompson told other top Yahoo executives at a Thursday meeting that he never provided Yahoo with a resume or incorrect information about his academic credentials, the source said. The person asked not to be identified because the meeting was considered to be private.

Yahoo Inc. declined to comment. Reuters first reported Thompson's remarks.

It's the first time that Thompson has explicitly denied lying to Yahoo about his educational record before or after the company hired him in January.

Thompson summoned the executives as he fights to save his own job and bolster the morale of Yahoo employees. Company workers were still recovering from the shock of 2,000 layoff notices being handed out last month when serious questions arose about their new CEO's credibility.

Thompson's integrity is under attack because a dissident Yahoo shareholder last week revealed that his bio included a computer science degree that he never received. The shareholder, activist hedge fund manager Daniel Loeb, is demanding that Yahoo's board fire Thompson for unethical conduct — a penalty that corporate governance experts say may well be merited.

Yahoo's board has created a three-person committee to investigate how the illusory degree ended up in a Thompson bio that appeared on the company's website and in materials filed with regulators on April 27. The misinformation also periodically appeared in other bios citing Thompson's accomplishments for several years before Yahoo lured him away from eBay Inc.'s online payment service, PayPal.

Ebay never listed Thompson's non-existent degree in its legal filings with the Securities and Exchange Commission.

In his Thursday meeting, Thompson blamed the mix-up on an unidentified executive search firm and said he didn't notice the bogus degree on his bio, according to the person who talked to The Associated Press.

Thompson's explanation still doesn't clear up the mystery surrounding the fabricated degree.

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The original source of the falsehood remains unknown. Also left unanswered is why Thompson never bothered to set the record straight during the numerous times that the bogus degree appeared on his bio, or why Yahoo's board apparently never asked him for a resume before he was hired. Corporate governance experts say it's routine for a board to conduct thorough background checks on all CEO candidates. It's also considered a CEO's responsibility for his bio to be accurate, especially the information that is being filed with the SEC.

The flap over Thompson's incorrect bio already has claimed one casualty — Patti Hart, the Yahoo director who oversaw the search that culminated in Thompson getting the job. Hart is surrendering her board seat at the company's still-unscheduled annual meeting later this year.

The uproar also is bolstering Loeb's campaign to elect himself and three allies to Yahoo's board. Loeb's fund, Third Point LCC, contends the Yahoo needs more help to snap out of a long-running financial funk that has depressed its stock for more than three years. Third Point owns a 5.8 percent stake in Yahoo.

As part of his effort to rally support, Loeb revealed Thursday that Yahoo has decided only investors who own company shares as of May 17 will be eligible to vote at the meeting. Yahoo hadn't disclosed that date in SEC filings, but has shared it with brokers, banks and candidates for its board. Investors who don't currently own Yahoo stock and want to vote at the meeting need to buy shares in the company by May 14 to ensure the holdings are on the books by May 17.

Yahoo, which is based in Sunnyvale, California, usually holds its meeting in late June. But the meeting was delayed until August the last time that an unhappy shareholder tried to shake up Yahoo's board, in 2008.

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