

Greenlight sues Apple over capital allocation

The Associated Press

Greenlight Capital is suing Apple in federal court in New York over attempts to eliminate preferred stock at the company.

David Einhorn, who heads Greenlight, said Thursday that the proposal would restrict the ability of Apple's board to unlock shareholder value.

Apple Inc., based in Cupertino, Calif., is the world's most valuable company.

Greenlight, a shareholder since 2010, is dissatisfied with the way Apple allocates capital. Einhorn, says his firm has been talking with Apple over the past several months about the creation of new preferred stock that would be distributed to Apple shareholders. He says the idea was rejected by Apple in September.

Apple started paying a dividend last year.

A representative for Apple could not immediately be reached for comment early Thursday.

Source URL (retrieved on 01/29/2015 - 9:53pm):

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