
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 14, 2007

Yahoo! Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation)

000-28018

(Commission File Number)

77-0398689

(I.R.S. Employer Identification No.)

701 First Avenue

Sunnyvale, California

(Address of Principal Executive Offices)

94089

(Zip Code)

(408) 349-3300

(Registrant's Telephone Number, Including Area Code)

Not applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 240.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

TABLE OF CONTENTS

[Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers](#)

[Item 7.01 Regulation FD Disclosure](#)

[Item 9.01 Financial Statements and Exhibits](#)

[SIGNATURE](#)

[Exhibit Index](#)

[EXHIBIT 10.1](#)

[EXHIBIT 99.1](#)

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

The Board of Directors of Yahoo! Inc. (the "Company") approved, effective as of May 14, 2007, the appointment of Blake Jorgensen, age 47, to serve as Chief Financial Officer of the Company. Mr. Jorgensen will commence employment with the Company on or about June 4, 2007. Susan L. Decker will resign as Chief Financial Officer effective upon Mr. Jorgensen's commencement of employment. Ms. Decker will continue to serve as the Company's Head of Advertiser and Publisher Group.

The terms of Mr. Jorgensen's employment are outlined in the Company's offer letter to Mr. Jorgensen dated May 14, 2007, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference. Mr. Jorgensen will be employed by the Company on an "at-will" basis. He will receive a base salary at an annual rate of \$450,000, subject to annual review, and an annual incentive bonus opportunity based on the achievement of individual and Company performance criteria to be established by the Compensation Committee. Mr. Jorgensen's target annual cash bonus will be 100% of his base salary. Mr. Jorgensen will be entitled to participate in the Company's other benefit plans on terms consistent with those applicable to the Company's executives generally.

In addition, management has recommended that the Company's Compensation Committee approve the following grants to Mr. Jorgensen at its next regularly scheduled meeting to approve grants to newly-hired employees following Mr. Jorgensen's start date:

- An option to purchase 425,000 shares of the Company's common stock at a per-share exercise price equal to the closing price of the common stock on the grant date, such option to vest with respect to 25% of the shares subject to the option on the first anniversary of Mr. Jorgensen's start date and with respect to the remaining 75% of the shares subject to the option in six equal semi-annual installments over the three-year period thereafter, contingent upon his continued employment through each vesting date, such that the option will be fully vested at the end of four years following his start date; and
- An award of 125,000 restricted stock units, such units to vest on the third anniversary of the date the award is granted, subject to his continued employment on such date, and to be payable upon vesting in shares of the Company's common stock on a one-for-one basis.

Each of these awards will be granted under the Company's 1995 Stock Plan, as amended, and will be subject to the terms and conditions set forth therein and in the standard forms of award agreements used to evidence awards granted under the plan.

From January 2002 until joining the Company, Mr. Jorgensen was Co-Director of Investment Banking at Thomas Weisel Partners, an investment bank specializing in the growth sectors of the economy, which he co-founded. From January 2002 until March 2007, Mr. Jorgensen also served as Chief Operating Officer and a member of the Executive Committee of Thomas Weisel Partners. In those capacities, he participated in the management of the administrative, finance, legal, accounting, regulatory and human resource functions of the bank. From October 1998 to January 2002, Mr. Jorgensen served as a Partner and Director of Private Placements at Thomas Weisel Partners. From December 1996 to September 1998, Mr. Jorgensen was a Managing Director and Principal at the Corporate Finance Department of Montgomery Securities. Previously, Mr. Jorgensen worked as a management consultant at MAC Group/Gemini Consulting and Marakon Associates. Mr. Jorgensen received an M.B.A. from the Harvard Graduate School of Business in 1988 and an A.B. in Economics from Stanford University in 1982.

Item 7.01 Regulation FD Disclosure.

On May 15, 2007, the Company issued a press release announcing that Mr. Jorgensen will succeed Ms. Decker as the Company's Chief Financial Officer. A copy of the Company's press release is furnished with this Form 8-K and attached hereto as Exhibit 99.1. Exhibit 99.1 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under

[Table of Contents](#)

that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Offer Letter, dated as of May 14, 2007, between Yahoo! Inc. and Blake Jorgensen.

99.1 Yahoo! Inc. Press Release dated May 15, 2007.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

YAHOO! INC.
(Registrant)

By: /s/ Michael J. Callahan

Michael J. Callahan
Executive Vice President, General Counsel
and Secretary

Date: May 15, 2007

Exhibit Index

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 10.1 | Offer Letter, dated as of May 14, 2007, between Yahoo! Inc. and Blake Jorgensen. |
| 99.1 | Yahoo! Inc. Press Release dated May 15, 2007. |



May 14, 2007

Blake Jorgensen

Dear Blake:

On behalf of Yahoo! Inc. ("Yahoo!" or the "Company"), I am pleased to offer you the position of Chief Financial Officer (CFO), reporting to Yahoo!'s Chief Executive Officer, Terry Semel, based in our Sunnyvale, California headquarters. Your appointment is subject to approval by the Company's Board of Directors and your compensation package as outlined herein is subject to approval of the Compensation Committee of the Board of Directors ("Compensation Committee").

Compensation

Your starting base salary will be \$37,500.00 per month (\$450,000.00 annually), less applicable taxes and withholdings, paid semi-monthly and subject to annual review. You will also be eligible to receive an annual target cash bonus of 100% of your annual base salary (\$450,000) to be determined by the Compensation Committee in its discretion based on your performance and the Company's performance for the relevant year. Any bonus payment will be subject to applicable taxes and withholdings. To qualify for the incentive bonus, you must remain continuously employed with the Company through the date that any incentive bonus is approved by the Compensation Committee.

Stock Options


As a part of the Yahoo! team, we strongly believe that ownership of the Company by our employees is an important factor to our success. Therefore, following your date of hire, management will recommend that the Compensation Committee grant you an option to purchase 425,000 shares of Yahoo! Inc.'s common stock under Yahoo! Inc.'s 1995 Stock Plan, as amended (the "Plan"). The per share exercise price of this option will be the fair market value of a share of Yahoo! common stock on the date of grant of this option as determined by the Compensation Committee. The option will vest in accordance with the following schedule: 25% of the shares subject to this option will vest and become exercisable on the first anniversary of your Date of Hire, and the remaining 75% of the shares subject to this option will vest and become exercisable, in six equal installments, vesting every six months thereafter, such that this option will be fully vested at the end of four years following the Date of Hire, contingent upon your continued employment with Yahoo! through each vesting date. This option will be subject to the other terms and conditions of the Plan and the applicable stock option agreement.

Restricted Stock Units

In addition, management will also recommend that the Board of Directors grant you an award of 125,000 Restricted Stock Units (RSUs), subject to the terms of the Plan and the applicable restricted stock unit award agreement. The RSUs will vest on the third anniversary of the date of grant, provided that you have been continuously employed with Yahoo! through such date. Following the vesting of the RSUs, you will receive one share of Yahoo! Inc. common stock for each vested RSU (subject to tax withholding).

Benefits

You will be eligible to participate in the regular Yahoo! health insurance benefits, 401(k), Employee Stock Purchase Plan, vacation, and other employee benefit plans, programs and policies, including the travel policy established by Yahoo! generally for its senior management. Yahoo! will reimburse you for reasonable business expenses incurred in connection with your employment, upon presentation of appropriate documentation, in accordance with the Company's expense reimbursement policies.

 701 First Avenue, Sunnyvale, CA 94089

Obligations

During your employment, you shall devote your full business efforts and time to Yahoo!. This obligation, however, shall not preclude you from engaging in appropriate civic, charitable or religious activities or from serving on the boards of directors of one or two companies that are not competitors to Yahoo!, as long as the activities do not materially interfere or conflict with your responsibilities to, or your ability to perform your duties of employment by, Yahoo! under this Agreement. Any outside activities must be in compliance with Yahoo!'s Guide to Business Conduct and Ethics.

Protection of Proprietary and Confidential Information

As an employee of Yahoo!, it is likely that you will become knowledgeable about confidential and or proprietary information related to the operations, products and services of the Company and its clients. To protect the interests of both the Company and its clients, all employees are required to read and sign an Employee Confidentiality and Assignment of Inventions Agreement ("Proprietary Agreement") prior to beginning employment. A copy of this agreement is enclosed. Please sign it and return it along with your signed copy of this letter.

No Conflict with Prior Agreements

Similarly, you may have confidential or proprietary information from a prior employer that should not be used or disclosed to anyone at Yahoo!. Therefore, Yahoo! requests that you read, complete, and bring with you on your first day of employment, the enclosed Proprietary Information Obligations Checklist to this effect. In addition, Yahoo! requests that you comply with any existing and/or continuing contractual obligations that you may have with your former employers.

Noncompetition

You agree that, during your employment with Yahoo! you will not engage in, or have any direct or indirect interest in any person, firm, corporation or business (whether as an employee, officer, director, agent, security holder, creditor, consultant, partner or otherwise) that is competitive with the business of Yahoo!, including, without limitation, any then-current activities relating to providing Internet navigational products or services and any then-current activities providing search, e-mail, chat, e-commerce, instant messaging, content (e.g., music, video), ISP (e.g., connectivity, bandwidth or storage) or other Internet-based delivery or functionality. Notwithstanding the preceding sentence, you may own not more than 1% of the securities of any company whose securities are publicly traded.


At-will Employment

Please understand that this letter does not constitute a contract of employment for any specific period of time, but will create an "employment at will" relationship that may be terminated at any time by you or Yahoo!, with or without cause or with or without advance notice. Your signature at the end of this letter confirms that no promises or agreements that are contrary to our at-will relationship have been committed to you during any of your pre-employment discussions with Yahoo!, and that this letter, along with the Proprietary Agreement, contains our complete agreement regarding the terms and conditions of your employment and supersedes any and all prior agreements, promises, or representations with respect to your employment by Yahoo! whether written or oral, express or implied. The at-will nature of the employment relationship may not be modified or amended except by written agreement signed by Yahoo!'s SVP Human Resources and you.

Arbitration

Our signatures on this letter also confirm our mutual agreement that any disputes or controversies, including but not limited to claims of harassment, discrimination and wrongful termination, shall be settled by binding arbitration under the American Arbitration Association Rules for the Resolution of Employment Disputes. This agreement is enforceable under the Federal Arbitration Act, or if for any reason it is inapplicable, the law of arbitration of the state in which you were last employed by Yahoo!.

We hope for an early acceptance of this offer, however, it will remain open until the close of business on 05/18/2007. Please understand that this offer is contingent upon approval of the Board or Directors and the Compensation Committee and successful completion of your background investigation. To accept this offer, please sign this letter in the space provided below and return it via facsimile to Lisa Banez at 408-349-7498. Please also send the original signed offer letter, the signed Proprietary Agreement and the signed

 701 First Avenue, Sunnyvale, CA 94089

Proprietary Information Obligations Checklist to Lisa Banez in the envelope provided. A second copy of each document has been provided for you to keep for your records.

At 9:00AM on the first Monday of your employment, you will meet with the Human Resources and Benefits teams for New Hire Orientation. Please ask for New Hire Orientation in the lobby of Yahoo! Building D, located at 701 First Avenue in Sunnyvale, California 94089. Orientation will begin at 9:00am and conclude at approximately 4:30pm. If you are not starting on a Monday, you should make arrangements with your manager to complete the necessary payroll forms on your first day of employment. In order for Yahoo! to comply with the Immigration Reform and Control Act, we ask that you bring appropriate verification of authorization to work in the United States with you on your first day of employment.

We look forward to your joining us and hope that you find your employment with Yahoo! enjoyable and professionally rewarding.

Very truly yours,

Libby Sartain
Chief People Officer


I accept this offer of employment with Yahoo! Inc. and agree to the terms and conditions outlined in this letter.

/s/ Blake Jorgensen
Signature

5/14/07
Date

6/4/07
Planned Start Date

Enclosures:
Employee Confidentiality and Assignment of Inventions Agreement
Proprietary Information Obligations Checklist
Authorization to Conduct Background Investigation

 701 First Avenue, Sunnyvale, CA 94089

Yahoo! Appoints Blake Jorgensen as Chief Financial Officer**Thomas Weisel Co-Founder Brings Strong Track Record as Business-BUILDER and Broad Financial, Operating and Strategic Expertise to Yahoo!'s Executive Team**

SUNNYVALE, Calif. – May 15, 2007 — Yahoo! Inc. (Nasdaq: YHOO), a leading global Internet company, today announced that the Board of Directors has appointed Blake Jorgensen, the co-founder of Thomas Weisel Partners, as chief financial officer. Jorgensen will commence employment with the Company on or about June 4, 2007. Jorgensen will replace Susan Decker, who has moved into a new role as head of the advertiser and publisher group. Jorgensen will be a key member of Yahoo!'s executive team, overseeing the company's finance, investor relations and mergers and acquisitions (M&A) groups. He will report directly to Yahoo!'s Chairman and Chief Executive Officer, Terry Semel.

"Blake has a strong track record of building and running a successful investment banking franchise serving many clients in the Internet and technology industries. His broad financial, operating and strategic experience, which complements the deep financial expertise of our existing team, will make him a valuable addition to Yahoo!'s senior management," said Semel. "Blake will help Yahoo! continue to execute against our growth plan and identify emerging opportunities, as well as maintain our tradition of financial excellence and fiscal discipline."

Prior to his Yahoo! appointment, Jorgensen was with Thomas Weisel Partners, which he co-founded in 1998 and where he served as chief operating officer, co-director of investment banking and a member of the Executive Committee. In these roles, he was instrumental in managing all aspects of the publicly traded investment bank, working in close partnership with the CEO, members of the Executive Committee and the Board of Directors. Jorgensen also managed the firm's relationships with key investors and managed several strategic alliances with international partners.

Prior to joining Thomas Weisel Partners, Jorgensen was a managing director and principal at the corporate finance department of Montgomery Securities. Earlier in his career, he also worked as an independent management consultant and held roles at MAC Group/Gemini Consulting and Marakon Associates.

Jorgensen holds a Bachelor of Arts from Stanford University with a major in Economics, and a Masters of Business Administration from Harvard Business School.

"I couldn't be happier to be joining Yahoo! to help it achieve a new level of success as an Internet leader. And I'm excited about joining a finance team that, collectively, has such deep functional experience," said Jorgensen. "I believe Yahoo! is well positioned to deliver value to shareholders — with unique audience, advertising and technology assets and a strong financial base — and the company is pursuing the right strategy to achieve its great potential. Yahoo! has made significant strides in recent months and I am looking forward to working closely with Terry and the rest of Yahoo!'s impressive

management team to continue the company's progress as it aggressively executes against its growth strategy."

Decker assumed her new role as part of the company's reorganization in December 2006. That reorganization was designed to align Yahoo!'s operations with the company's key customer segments — audiences, advertisers and publishers — and more effectively leverage Yahoo!'s significant strengths to capture future opportunities for growth.

"Blake's arrival will enable Sue to devote her full attention to her new responsibilities where she is building on the recent momentum we've achieved with Panama, major new partnerships and our agreement to acquire Right Media. With Blake's appointment, we're continuing to put the right people in the right places to execute against our strategy and adding outside talent to complement an already strong management team," added Semel.

About Yahoo!

Yahoo! Inc. is a leading global internet brand and one of the most trafficked Internet destinations worldwide. Yahoo!'s mission is to connect people to their passions, their communities and world's knowledge. Yahoo! is headquartered in Sunnyvale, California.

###

Yahoo! and the Yahoo! logo are trademarks and/or registered trademarks of Yahoo! Inc. All other names are trademarks and/or registered trademarks of their respective owners.

CONTACTS:

Media: Kelly Delaney, Yahoo! Inc., 408-349-2579, kellyd@yahoo-inc.com

Investors: Cathy La Rocca, Yahoo! Inc., 408-349-5188, cathy@yahoo-inc.com