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## Yahoo loses two more prominent execs Flickr founders depart as Yahoo reels from loss of Microsoft bid, proxy battle

By [Benjamin Pimentel](#), MarketWatch  
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**SAN FRANCISCO (MarketWatch) - Yahoo Inc. has lost two more prominent executives in what some analysts see as a sign of mounting strain at the beleaguered Web portal as it reels from a proxy war over its aborted merger with Microsoft Corp.**

Caterina Fake and Stewart Butterfield, the co-founders of the popular Flickr photo-sharing Web site that Yahoo ([YHOO](#)) acquired three years ago, are the latest executives to depart from the Sunnyvale, Calif. tech giant. Fake left the company on June 13, while Butterfield is set to leave July 12, the company said.

Recently, Jeff Weiner, executive vice president of Yahoo's network division and Usama Fayyad, the company's chief data officer, have also left or announced that they are leaving.

Shares of Yahoo were trading down 1.5% at \$22.90 by early Wednesday afternoon. The stock has lost more than 20% since Microsoft Corp. pulled a buyout offer worth \$47 billion off the table last month.

The stock is down more than 12% since last week, when the company announced that further talks with the software titan failed to produce any alternative deal. [See full story.](#)

Yahoo Spokeswoman Terrell Karlsten said Fake and Butterfield "made tremendous contributions to Yahoo over the year," saying, "We greatly appreciate all their work and dedication and wish them well in their new endeavors."

But analyst Roger Kay speculated that the proxy battle with dissident shareholder Carl Icahn who is pushing to boot out the Yahoo board may be just too much for some executives.

"I'm sure the tension is high at Yahoo," Kay said, citing the public attacks on CEO Jerry Yang and the fall of the company's stock price. "A lot of these guys and gals work more for self-esteem than for money and these things are bad for self-esteem."

Analyst Steve Allen of Sierra Tech Research said the departing executives "probably don't see, and rightfully so, any upside benefit to being part-and-parcel of a protracted proxy battle."

Icahn unleashed his proxy campaign in order to replace the Yahoo board and resume merger talks with Microsoft ([MSFT](#)). But Microsoft has said that it is no longer interested in buying Yahoo.

Negotiations for a limited deal, in which Microsoft would acquire Yahoo's search business, collapsed last week. As an alternative, Yahoo said it has entered into a search outsourcing agreement with rival Google Inc. ([GOOG](#)) that



could be worth up to \$800 million in annual revenue. But many analysts believe the deal could hurt Yahoo's long-term business by making the company less attractive as an advertising platform. [See full story.](#) ■

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