Google’s Financial Results Accidentally Revealed to the Market

On October 18th, Google caused a stir on Wall Street when details of the company’s financial results for the third quarter of 2012 were accidentally revealed to the market before they were approved for publication. The contents caused Google’s share price to fall sharply, wiping off more than $22 billion of its market capitalization before trading in its stock was suspended on the Nasdaq market while the firm sorted out the snafu.

The exact chain of events that led to the mishap is still unclear. Google’s net profit fell by a fifth… Read more here.

IRS Regulations & Liability Management Transactions

On September 13, 2012, the U.S. Treasury Department and the Internal Revenue Service published final regulations that will affect the U.S. federal income tax treatment of Debt restructurings, amend-and-extend agreements, debt exchange offers, further issuances of outstanding debt, and other liability management transactions.

These rules will have different effects in different markets… Read more here.

Letters Urge Judge Rakoff to Punish Gupta

As the insider trading sentencing for former Goldman Sachs director Rajat Gupta approaches, people have urged U.S. District Judge that Gupta be severely punished. Read more here.

MARK YOUR CALENDARS

Events this week:

- Panel: “YLBS Business and Business Law Summer Opportunities for 1Ls,” October 25, 4:10-5pm, Room 124
- Law, Economics & Organization Workshop: John Asker, New York University Stern School of Business, October 25, 4:10-5:40pm, Room 121

Events next week:

- Lecture: “Third-Party Financing of Corporate Litigation,” with Mike Chepiga ’79 and Sean Coffey, Managing Directors, BlackRobe Capital Partners, LLC, October 30, 12:10-1:30pm, Faculty Lounge
- Panel: “SEC Decision-making and Rulemaking: An Agency under Pressure,” with Cleary Gottlieb Steen & Hamilton LLP partners David M. Becker and Alan L. Beller, October 31, 10:05am, Room 121
- YLS Entrepreneurs Series: Will Gaybrick ’12, General Partner at Thrive Capital, November 1, 12:00-1:00pm, Room 122
- Sullivan & Cromwell Conference on Challenges in Global Financial Services, November 2, 9:30am-4:10pm, Room 127. Please RSVP to karen.crocco@yale.edu by October 23, 2012.

Alvin Roth and Lloyd Shapley Have Won This Year’s Nobel for Economics

In most countries it is illegal to buy or sell a kidney. If you need a transplant you join a waiting list until a matching organ becomes available. This drives economists nuts. Why not allow willing donors to sell spare kidneys and let patients (or the government, acting on their behalf) bid for them? The waiting list would disappear overnight.

Money is not essential to a market. After all, economics is about maximising welfare, not GDP. But the absence of a price to allocate supply and demand makes it harder to know whether welfare is being maximised. This year’s Nobel prize in economics went to two scholars who have grappled with that very problem. Read more here.

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With contributions from the YLBS Board and members