Trading Case Casts Shadow on Hedge Fund Mogul

In 2010, billionaire hedge fund manager Steven Cohen gave a rare interview to Vanity Fair. He wanted to combat persistent rumors that his firm, SAC Capital Advisors, routinely violated securities laws by trading on confidential information.

Federal prosecutors heightened that perception, bringing a criminal case against a former SAC employee in what is the most lucrative insider-trading scheme ever charged. Read more here.

Conflicts of Interest: Requiring Closer Governance Focus

A series of developments over the last year encourage governing boards to apply closer attention to conflicts of interest issues. These developments include several prominent judicial decisions; a series of focused articles in The New York Times; a highly public state attorney general investigation; the SEC internal investigation of its general counsel — and the subsequent investigation of its own Inspector General. Collectively, they draw new attention to the proper identification, disclosure and resolution of potential conflicts of interest. Governing boards should apply more focus to the conflicts of interest process. Read more here.

Some Analysts Question Numbers in H.P.’s Write-Down

H.P. took a $8.8 billion charge in its fourth quarter to reflect the reduced value of Autonomy, the British software firm that it bought last year for $10 billion, citing “serious accounting improprieties.” Read more here.

Mark Your Calendars

Events this week:

- **Bert W. Wasserman Workshop in Law and Finance**, Tues., Nov. 27, 12:15-2pm, Faculty Lounge
- **“Antitrust in M&A”** with David Schwartz, Wachtell Lipton, Tues., Nov. 27, 6:10-7:30pm, Room 122
- **Regulating Foreign Banks: Daniel K. Tarullo**, Wed., Nov. 28, 12:10-1pm, GM Room, Horchow Hall, 55 Hillhouse Avenue (Yale School of Management)
- **Law, Economics & Organization Workshop**, featuring speaker Ryan Bub from NYU, Thurs., Nov. 29, 4:10-5:35pm, Room 121
- **Yale Entrepreneurial Institute Summer Fellowship Info Session**, Thurs., Nov. 29, 6-7pm, Room 110. RSVP to evelyn.lee@yale.edu

Events next week:

- **Ralph K. Winter Lecture by Jean Tirole, Toulouse School of Economics**, Mon., Dec. 3, 12:15-1:30pm, Faculty Lounge
- **Careers in Business Series: Consulting**, Mon., Dec. 3, 6:30-7:30pm, Room 122. RSVP to ylbs.board@gmail.com
- **“Third-Party Financing of Corporate Litigation,”** Dec. 4, 12:10-1:30pm, Faculty Lounge
- **YLS Entrepreneurs Series: Jimmy Li ’14, Developer, Codecademy**, Dec. 5, 12-1pm, Room 122
- **Law, Economics & Organization Workshop**, featuring speaker Price Fishback from Arizona State, Dec. 6, 4:10-5:40pm, Room 121

France’s economy downgraded

On November 19th, Moody, a credit-ratings agency, stripped France of its Triple A sovereign credit-rating, after putting France on negative outlook in February. It noted the country’s high exposure to battered peripheral economies, persistent structural economic challenges, and uncertain fiscal outlook. Read more here.

Editor: Evelyn Lee

With contributions from the YLBS Board and members