Greek Swaps Not Yet Triggered

On Thursday, the International Swaps and Derivatives Association, the industry body that decides whether credit default swaps should pay out, ruled that last week’s proposed Greek restructuring plan did not trigger a credit event for swaps tied to Greek debt. Commentators note that the decision calls into question the usefulness of the financial instruments going forward. Following the ruling, one Greek official cautioned those hoping to sue Greece instead of taking a 75% loss: “There is just no money for holdouts. We are prepared for legal challenges but the risk here is that people are trying to be too smart.”

Governance & Activism with IP and Silicon Valley Firms

Fenwick & West LLP has released a survey of the corporate governance practices of firms in the Silicon Valley 150 Index relative to those of S&P 100 companies. Among other findings, SV 150 companies are less likely to have a combined board chair/CEO, and have more insiders as a percentage of the full board. The Deal also has an interesting article this week detailing the trend of shareholder activists increasingly targeting tech companies. One main reason stated is that Wall Street is now better at valuing IP as an asset.

Judge Strine Rules

Without another bidder in sight, the Delaware court declined this week to block Kinder Morgan’s takeover of El Paso. However, Judge Strine’s opinion did highlight the deal’s flawed processes and Goldman Sachs’ conflicts of interest, opening the door for future litigation by investors.

MARK YOUR CALENDARS

Events this week:

- “Private Equity: Ruthless Looters or Virtuous Value Creators?” A Discussion with Ben Clinger (YLS-SOM ’08) Kirkland & Ellis LLP, 3/7, 12:10 pm, 121.
- Careers in Finance, CLC Event. 3/7, 6:00 pm, 120.

Events after the break:

- “Bankruptcy & Restructuring,” A Discussion with Emil Kleinhaus ’02, Partner, Wachtell Lipton, 3/22, 6:10 pm, 121.
- Weil Gotshal & Manges Business Law Roundtable, 3/23. Check out the full-day schedule here
- “The JD as an Entrepreneur,” A Conversation with David Lat of ABOVE THE LAW, 3/26, 12:10 pm, 129
- Raben Lecture: H. Rodgin Cohen, Partner, Sullivan Cromwell LLP, 3/26, 4:30 pm, Faculty Lounge

Yelp Makes its Public Debut

Renewing enthusiasm for the web boom, shares of everyone’s favorite online review-site Yelp soared 64% in their first day of public trading. The initial public offering had been priced at $15 a share, yet closed Friday at $24.58 per share and a market capitalization of $1.75 billion. The company raised $107 million by offering 7.15 million shares.

Skeptics abound, however, as to Yelp’s valuation as it has never turned a profit in its eight-year history and has accumulated a sizeable $41 million deficit. Though its site attracts 66 million visitors a month and has registered 600,000 business profiles, Yelp cautions: “We have a short operating history in an evolving history, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.” Read the full Prospectus here.

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With contributions from the YLBS Board and members