

# YAHOO!

1934 Act/Rule 14a-8

March 12, 2007

**VIA COURIER**

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of Chief Counsel  
100 F Street, NE  
Washington, D.C. 20549

Re: Intention to Omit Stockholder Proposal Submitted  
by Mr. Jing Zhao and Mr. Andrew Zhao

Ladies and Gentlemen:

This letter supplements the letter of February 7, 2007, relating to a proposal (the "Proposal") and supporting statement (the "Supporting Statement") submitted to Yahoo! Inc. ("Yahoo!" or the "Company") by Mr. Jing Zhao and Mr. Andrew Zhao (collectively, the "Proponents") for inclusion in the Company's proxy statement for its 2007 Annual Meeting of Stockholders (the "2007 Proxy Statement"). In our February 7 letter, we notified the Securities and Exchange Commission (the "Commission") and the Proponents of the Company's intention to omit the Proposal and Supporting Statement from the Company's 2007 Proxy Statement on the grounds set forth in Rule 14a-8(f), Rule 14a-8(i)(7), Rule 14a-8(i)(10), Rule 14a-8(i)(6), Rule 14a-8(i)(11) and Rule 14a-8(i)(3). We further requested in our letter that the staff of the Division of Corporation Finance (the "Staff") confirm that it will not recommend enforcement action to the Commission if Yahoo! omits the Proposal and Supporting Statement from its 2007 Proxy Statement.

In an effort to rebut the arguments in our February 7 letter, Mr. Jing Zhao and Mr. Andrew Zhao have submitted letters to the Commission dated February 20, 2007 and February 21, 2007, respectively (the "Response Letters"), together with accompanying letters from TD Ameritrade dated February 14, 2007 and February 13, 2007, respectively. For the reasons discussed in more detail below, Yahoo! believes that the Response Letters and accompanying letters from TD Ameritrade do not persuasively rebut the Company's arguments set forth in its February 7 letter. Accordingly, Yahoo! reiterates its intention to omit the Proposal and Supporting Statement from its 2007 Proxy Statement on the grounds set forth in its February 7 letter, and hereby reaffirms its request that the Staff confirm that it will not recommend any enforcement action to the Commission if Yahoo! omits the Proposal and Supporting Statement from its 2007 Proxy Statement.



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In accordance with Rule 14a-8(j), we have enclosed for filing six copies of this letter. We are also concurrently sending a copy of this letter to the Proponents, as well as to Ms. Ann Lau of the Visual Artists Guild.

**Omission on the Basis of Rule 14a-8(f) and Rule 14a-8(b)**

In the Company's February 7 letter, the Company stated its view, based on the Commission's rules and Staff interpretations, that the materials submitted by the Proponents were insufficient to establish that they continuously owned the requisite number of shares of Company stock for at least one year as of the date on which they submitted the Proposal to the Company. The Company believes that the TD Ameritrade letters accompanying the Proponents' February 20 and 21 letters are similarly deficient for the following reasons:

- The February 20 and 21, 2007 letters and accompanying TD Ameritrade letters were not postmarked or transmitted electronically to the Company within the time period prescribed by Rule 14a-8(f). By letter dated December 21, 2006 (a copy of which is attached as Exhibit D to the Company's February 7 letter to the Staff), the Company notified the Proponents of the specific deficiencies in their original submission (quoting the relevant requirements in Rule 14a-8(b)(2)(i)), and advised them that their response must be postmarked or transmitted electronically no later than 14 days from the date that they received the Company's letter. The Company sent its December 21 letter to the Proponents by overnight courier, and believes that the Proponents received the letter as early as December 22, 2006. In any case, the Proponents responded to the Company's request by letter dated December 27, 2006, with documents that failed sufficiently to verify that the Proponents satisfied the requisite continuous ownership requirements as of the date that they submitted the Proposal. By any calculation, the February 20 and 21 letters and accompanying materials from the Proponents were not postmarked or transmitted electronically within 14 days of the date that the Proponents received the Company's December 21 letter notifying them of the deficiencies from the Company. Given the clarity and specificity of the Company's December 21 letter to the Proponents, the Company does not believe that the Proponents should be afforded additional time in which to submit adequate proof that they satisfy the requisite ownership requirements.
- The February 13 and 14, 2007 letters from TD Ameritrade do not present information as of a date that corresponds to the date on which the Proponents submitted the Proposal. Even if the Proponents had timely submitted the February 13 and 14, 2007 letters from TD Ameritrade, these letters fail to present information as of a date that corresponds to the date on which the Proponents submitted the Proposal, regardless of whether one uses December 7 (the date of the Guild's letter) or December 10 (the date of the Proponents' initial letter) as the date of submission.

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- The TD Ameritrade letter pertaining to Mr. Andrew Zhao is not adequate to verify that he has satisfied the continuous ownership requirement in Rule 14a-8(b). In addition to the deficiencies noted above, the February 13, 2007 letter from TD Ameritrade concerning Mr. Andrew Zhao's ownership does not contain an affirmative written statement that specifically verifies that Mr. Zhao *continuously* owned the securities for a period of one year as of the time that he submitted the Proposal.

Thus, for these reasons set forth above and in its February 7 letter, the Company believes that it may properly omit the Proposal and Supporting Statement from its 2007 Proxy Statement in reliance on Rule 14a-8(b) and 14a-8(f).

#### Other Bases for Exclusion Under Rule 14a-8

In his February 20 letter, Mr. Jing Zhao offers only personal impressions and opinions to respond to the arguments in the Company's February 7 letter to the Staff. While the Company respects Mr. Zhao's views, Yahoo! does not believe that he has effectively rebutted any of the Company's positions with respect to exclusion of the Proposal and Supporting Statement under Rule 14a-8. Furthermore, the Company does not believe that it would be appropriate under the circumstances and at this late date to allow Mr. Zhao the opportunity to make changes to the Proposal or Supporting Statement.<sup>1</sup> Accordingly, the Company reaffirms the arguments in its February 7 letter, and for the reasons set forth therein, respectfully renews its request that the Staff confirm it will not recommend enforcement action to the Commission if Yahoo! omits the Proposal and Supporting Statement from its 2007 Proxy Statement.

#### Conclusion

Notwithstanding the arguments presented in the Proponents' Response Letters, the Company continues to believe that it may exclude the Proposal and Supporting Statement from its 2007 Proxy Statement pursuant to Rule 14a-8(f), Rule 14a-8(i)(7), Rule 14a-8(i)(10), Rule 14a-8(i)(6), Rule 14a-8(i)(11) and Rule 14a-8(i)(3). If the Staff has any questions or comments regarding this or any of our prior submissions, please call me at (408) 349-7131, or in my absence, Thomas J. Leary, Esq., of O'Melveny & Myers LLP at (949) 823-7118. If the Staff concludes that the Proposal and Supporting Statement should not be excluded from the 2007 Proxy Statement, we would appreciate the opportunity of a conference prior to the issuance of a formal response. In any case, when the Staff issues its formal response, we respectfully ask that you send a copy of the response by facsimile to the undersigned at (408) 349-3400, and to Mr. Leary at O'Melveny & Myers LLP at (949) 823-6994, and by facsimile, courier or U.S. mail to the Proponents.

<sup>1</sup> The Company has not agreed to accept the changes proffered by Mr. Zhao in his February 20 letter. However, the Company notes that even if such changes were made to the Proposal and Supporting Statement, such changes would arguably address only two of the six bases set forth by the Company for exclusion of the Proposal and Supporting Statement under Rule 14a-8.

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Please acknowledge receipt of this letter by date stamping an enclosed copy of this letter and returning the date-stamped copy to our messenger.

Very truly yours,



Christina Lai  
Senior Legal Director

cc: Mr. Jing Zhao  
Mr. Andrew Zhao  
Ms. Ann Lau, Visual Artists Guild  
Michael J. Callahan, Senior Vice President and General Counsel, Yahoo! Inc.  
Thomas J. Leary, Esq., O'Melveny & Myers LLP