

IN THE COURT OF THE CHANCERY OF THE STATE OF DELAWARE

POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT and GENERAL
RETIREMENT SYSTEM OF THE CITY OF
DETROIT, on behalf of themselves and all other
similarly situated shareholders of Yahoo! Inc.,

Plaintiffs,

v.

Civil Action No. 3561

YAHOO! INC., JERRY YANG, ROY
BOSTOCK, RON BURKLE, ERIC HIPPEAU,
VYOMESH JOSHI, ARTHUR KERN, ROBERT
KOTICK, EDWARD KOZEL, MAGGIE
WILDEROTTER, AND GARY WILSON,

Defendants.

**DECLARATION OF MARK LEBOVITCH IN SUPPORT OF THE
DETROIT FUNDS' MOTION FOR CONSOLIDATION AND
APPOINTMENT OF BLB&G AND BM&F AS LEAD COUNSEL**

MARK LEBOVITCH, hereby declares, under penalty of perjury, as follows:

1. I am a member of Bernstein Litowitz Berger & Grossmann LLP ("BLB&G"), outside counsel to the Police and Fire Retirement System of the City of Detroit ("PFRS") and the General Retirement System of the City of Detroit ("GRS," and together with PFRS, the "Detroit Funds"), co-plaintiffs in the above-captioned class action, which challenges the defensive responses of the Yahoo!, Inc. ("Yahoo") board of directors (the "Yahoo Board") to the unsolicited takeover proposal made by Microsoft Corporation ("Microsoft"). I have personal knowledge about the information in this Declaration.

2. I am a resident of North Bergen, New Jersey and am of full legal age.

3. I respectfully submit this declaration: (1) in support of the motion of the Detroit Funds for consolidation and for the appointment of the law firm of Bernstein Litowitz Berger & Grossmann LLP (“BLB&G”), together with Bouchard Margules & Friedlander, P.A. (“BM&F”), as Lead Counsel on behalf of the proposed class of Yahoo! Inc. (“Yahoo”) shareholders, and (2) in opposition to the motion of Plumbers and Pipefitters Local Union No. 630 Pension-Annuity Trust Fund (“P&P”) for appointment of Coughlin Stoia Geller Rudman & Robbins LLP (“Coughlin Stoia”).

4. Either I or my partner Gerald H. Silk has conferred with counsel for each of the other plaintiffs in the breach of fiduciary suits against the Yahoo Board currently pending before this Court. Specifically, I spoke with Randy Baron of Coughlin Stoia Geller Rudman & Robbins LLP (representing P&P) and with Robert Kriner of Chimicles & Tikellis LLP (representing Mr. Dicke), while Mr. Silk spoke with Steven Toll of Cohen, Milstein, Hausfeld & Toll, P.L.L.C. (also representing Mr. Dicke) and with Marc Topaz of Schiffrin Barroway Topaz & Kessler LLP (representing Mr. Mercier).

5. We provided a consistent position to each of the counsel: (1) the Detroit Funds, based on their experience and the size of their holdings in Yahoo, should serve as the lead plaintiff in overseeing the prosecution of this case and its chosen counsel, BLB&G working with BM&F, should serve as Lead Counsel and (2) assuming that this case proceeds to intensive litigation in preparation for trial (and surely if the case proceeds to trial), there will be a significant workload to bear and although BLB&G and BM&F are prepared to bear all of the burden and workload of prosecuting this case without any assistance, counsel to any plaintiff who supports the Detroit Funds’ leadership over the matter would be given the opportunity to contribute to the prosecution

of the case at the direction of Lead Counsel, and would be treated fairly in the event those efforts lead to a subsequent fee award.

6. In those conversations, I explained to the other counsel my and the Detroit Funds' shared view that in matters as expedited and important as these actions, it is critical that the leadership structure be cohesive, coordinated and efficient, and that the lead representative plaintiff be able to exercise effective oversight of counsel on a real-time basis.

7. Counsel for Mr. Dicke has submitted a Response with the Court confirming Mr. Dicke's support for the Detroit Funds' Motion for Consolidation and Appointment of Lead Counsel. Unfortunately, we were not able to achieve agreement on these terms with counsel for P&P and Mr. Mercier.

8. In this regard, I am reluctantly constrained to respond to some of the points made in P&P's motion. I invested many hours speaking with my colleague and sometimes co-counsel, Randy Baron, regarding the possibility of providing a role for his firm and his client in this litigation, with his firm supporting the Detroit Funds' motion regarding leadership. I refused to give P&P, in effect, discovery into my clients' trading records, particularly in light of the Coughlin Stoia firm's history of attacking the Detroit Funds in other cases. We also discussed Coughlin Stoia's previous filing of a fiduciary duty suit against the Yahoo Board in California state court, including my view that their initial choice of jurisdiction could not be undone and could present a problem for his firm serving as a lead counsel in Delaware and his view that their continuing relationship with the counsel prosecuting that case could prove beneficial to us.

9. We ultimately were prepared to provide Coughlin Stoia a meaningful role in assisting in the prosecution of this Action. In this regard, Coughlin Stoia and its client were prepared to support the Detroit Funds' motion for leadership in this case and for BLB&G and BM&F to be appointed as Lead Counsel in this case, with Coughlin Stoia participating in the case at the Lead Counsel's direction. The discussions ultimately fell apart when BLB&G refused to make certain other promises that Coughlin Stoia requested regarding the handling of the case. I also informed Mr. Baron that the filing of papers attacking the Detroit Funds yet again would significantly impair our firms' ability to work together on this matter.

10. After these discussions broke off, P&P filed its complaint and moved for appointment of Coughlin Stoia as Lead Counsel. Neither I nor the Detroit Funds have ever consented to (and I am informed that nobody at BM&F solicited) P&P's proposal that BM&F serve as Lead Counsel, along with Coughlin Stoia, on behalf of P&P.

11. In the course of researching facts for the Detroit Funds' opposition to P&P's motion, we learned for the first time that Coughlin Stoia is serving as lead counsel in the federal securities class action against Yahoo and certain current or former senior officers, captioned *In re Yahoo! Inc.* Master File No. CV-07-03125-CAS (FMOx) (C.D. Cal.). A true and correct copy of pertinent excerpts of the consolidated amended complaint filed by the Coughlin Stoia firm in that action is attached hereto as Exhibit A. At no time in our prior discussions did Mr. Baron inform me of his firm's role in the pending securities class action against Yahoo.

12. A true and correct copy of the Coughlin Stoia Opposition to Motion to Transfer Venue filed in *In re Yahoo!, Inc.* Master File No. CV-07-03125-CAS (FMOx) (C.D. Cal.) is attached hereto as Exhibit B.

13. A true and correct copy of the initial Complaint filed in *Edward Fritsche v. Jerry Yang, et al.* No. 08-CV-104808 (Super. Ct. Cal.) is attached hereto as Exhibit C.

14. A true and correct copy of the Complaint in *Tom Turberg v. Yahoo! Inc. et al.*, No. 1-08-cv-104813 (Super. Ct. Cal.) is attached hereto as Exhibit D.

15. A true and correct copy of the Complaint in *Thomas Stone Trust v. Yahoo! Inc., et al.*, No. 1-08-cv-104693 (Super. Ct. Cal.) is attached hereto as Exhibit E.

16. A true and correct copy of the Fritsche Motion for Consolidation filed in *Edward Fritsche v. Jerry Yang, et al.*, No. 08-CV-104808 (Super. Ct. Cal.) is attached hereto as Exhibit F.

17. A true and correct copy of the Complaint filed in *Vernon A. Mercier v. Yahoo! Inc., et al.*, Case No. 3579 (Del. Ch.) is attached hereto as Exhibit G.

18. A true and correct copy of the Corrected Complaint filed in *Edward Fritsche v. Jerry Yang, et al.*, No. 08-CV-104808 (Super. Ct. Cal.) is attached hereto as Exhibit H.

19. A true and correct copy of the transcript regarding Plaintiffs' Motions to Consolidate and for Appointing Lead Counsel and Rulings, in *Brandin v. Deason, et al.*, Case No. 2123-VCL (Del. Ch., May 9, 2007) is attached hereto as Exhibit I.

20. A true and correct copy of the Order appointing Lead Plaintiff in *Police and Fire Retirement System of the City of Detroit v. Safenet, Inc., et al.* (S.D.N.Y. Feb. 21, 2007) is attached hereto as Exhibit J.

21. A true and correct copy of the Order Appointing Lead Plaintiff in *Brody v. Dot Hill Systems Corp.*, et al., No. 06-CV-0228 (S.D. Cal. June 23, 2006), is attached hereto as Exhibit K.

22. A true and correct copy of *In re Vesta Ins. Group Sec. Litig.*, 1999 U.S. Dist. LEXIS 22233 (N.D. Ala. 1999) is attached hereto as Exhibit L.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed this 3rd day of March, 2008.


MARK LEBOVITCH