

Former Yahoo executive to collect nearly \$110 million for 15 months of work

Gabriel Black
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Henrique de Castro, the former chief operating officer (COO) of Yahoo! Inc., will receive a \$58 million severance package for the 15 months that he worked at the company, According to a regulatory document filed with the Securities and Exchange Commission (SEC) Wednesday.

The announcement came the week after executive compensation research firm Equilar said that the 100 top-earning CEOs in the US saw their median yearly pay increase by 9 percent in 2013, to \$13.9 million.

De Castro, a former Google executive, joined Yahoo in November 2012. As a starting bonus, and to pay him for his two months of work during 2012, de Castro got \$39.2 million. In 2013, de Castro made an additional \$11 million. He was not given a bonus because, according to Yahoo, his performance was not adequate.

In total, de Castro could walk away with \$109 million for his 15 months of work, according to the executive compensation research firm Equilar. In other words, it would take an average worker almost 73 lifetimes, working 40 years of his or her life, to match de Castro's pay for 15 months of work.

De Castro was fired in January by Yahoo's CEO Marissa Mayer, reportedly for underperformance. If Mayer stays on another five years, "Her pay package," which "includes bonuses, stock and options... could be worth \$129 million out the door," according to the *Los Angeles Times*.

De Castro's severance pay is composed of cash, stock options, and "make-whole" compensation (money that is making up for what he would have earned if he had not been fired). His compensation was swelled by the rise of Yahoo shares over the past year.

De Castro is only the latest corporate executive to receive a massive "golden parachute" after losing his job. Robert D. Marcus, the chief executive of Time

Warner Cable, is set to receive an \$80 million payout if the company goes through with its planned acquisition by Comcast, the company said in a regulatory filing last month. Comcast announced the deal six weeks after Marcus took over as CEO, meaning he will receive more than \$2 million per day for his time as CEO prior to the deal. That is the equivalent of receiving \$1,300 per minute during that period.

CEO pay, meanwhile, continues to skyrocket. JPMorgan Chase CEO Jamie Dimon has been awarded \$20 million in pay for 2013, an increase of 74 percent from the previous year, even after the bank agreed to pay \$20 billion in legal settlements. Goldman Sachs CEO Lloyd Blankfein received a \$26 million bonus in 2013, his highest since the 2008 crash.

The wealthiest 0.5 percent of Americans have seen their share of the nation's wealth double, from about 17 percent in 1978 to just under 35 percent in 2012. The world's richest 85 people now own as much wealth as the bottom 50 percent of humanity, or 3.5 billion people.

At the same time, the US median household income has fallen every year since 2007, declining by a total of 8.3 percent.



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