Bankrupt Toys R Us Can Pay Executives Millions of Dollars in Bonuses, Judge Rules



Image by Mike Kalasnik

With the holiday shopping season approaching and bankruptcy proceedings underway in federal court, Toys R Us went to its creditors in November with an unorthodox request, ***The Washington Post*** reports. To boost sales, the insolvent company asked: Let us pay out millions of dollars in bonuses to our top executives.

Under the plan, which has been approved by a bankruptcy judge, the company will pay 17 executives about $14 million in incentive bonuses, as long as the company hits its target of $550 million in earnings. It must hit a minimum of $484 million in adjusted earnings before any bonuses are awarded.

"Attorneys for the company argued in court papers that the bonuses would help encourage executives to focus on driving up sales as the holidays approach," the *Post*'s **Derek Hawkins** reports.

Read the *Post* article.