

BaltimoreBrew

Constellation chief Shattuck drives company into ditch, get \$33 million, protesters say

by FERN SHEN, OCT. 8, 2009



What do you give a guy for his 55th birthday who has everything — a north Baltimore [mansion](#), a bubbly, [benevolent](#) former NFL [cheerleader wife](#) and a \$33 million golden parachute?

Well, if you're an activist representing Maryland ratepayers and the lucky man is Constellation Energy Corp. CEO Mayo A. Shattuck III — who stands to get that whopping bonus even though under his tenure the company borrowed big on flaky commodity trading, had losses topping a billion and nearly went bankrupt — well, it's obvious. You throw him a guerilla-theatre-themed surprise party.

Have a happy birthday, activists said to Mayo Shattuck, but not a \$33 million present

But when members of the group [Progressive Maryland](#) went to Shattuck's downtown office yesterday and tried to present him with the gift and cake they thought he deserved — a \$14.95 fake-gold watch and a Twinkie with a candle — they weren't too well-received . . .

Singing “For He’s a Jolly Good Fellow” and wearing pointy party hats, Progressive Maryland Education Fund members, including officials Sean Dobson and Matthew Weinstein, pushed through the building's revolving glass door into its shiny first floor café/lobby.



Building manager Terri Gavin and several other unsmiling people were ready for them. “Could you please leave or I’ll call the – call 911!” Gavin said to Dobson. Eventually, the visitors put their gifts and card on a table and left.

*Mayo Shattuck's birthday
Twinkie from Progressive Maryland
was not well-received.*

The action was timed for yesterday because, according to the group, it was Shattuck's 55th birthday, the day when he became eligible to claim the "supplemental" bonus, valued at approximately \$33 million last year.

Even before the tanking national economy soured Americans on exorbitant executive bonuses and let-them-eat-cake top-management parties, Shattuck's leadership and golden parachute were prompting howls in Maryland.

It was not just that the wretched excess of that number, \$33 million, going into one person's wallet. And it wasn't just that Constellation Energy's Board of Directors had to make a special exception to the rules to give it to him. (Technically, Shattuck was two years shy of the ten years of service needed to collect the loot. The Directors took a vote and gave Shattuck credit for the time he spent as a non-executive director and – *voilà!* - problem solved.)

It was the fact that the company went into such a downward spiral under his leadership, hurting stockholders, employees and ratepayers, as Progressive Maryland sees it. (Constellation is the corporate parent of local utility Baltimore Gas & Electric Co.)

"Two failed mergers, a 72 percent BGE rate hike, a massive \$8 billion accounting error, a \$2 billion settlement with the state, a cataclysmic stock drop and near bankruptcy a year ago," they said, in their press release.



Last year in the fourth quarter, for example, Constellation had a loss of \$1.41 billion, or \$7.75 per share, compared with \$258.1 million, or \$1.42 per share, during the prior year.

"It's Mr. Shattuck's birthday, but the ratepayers of Maryland are not celebrating," said Sen. Jamie Raskin (D-Montgomery County), quoted in Progressive's press release. "It's time to end outrageous corporate compensation practices that make the rest of us pay for private parties we're not invited to."

Raskin and another state lawmaker, James Brochin (D-Baltimore County), have asked Attorney General Douglas Gansler to investigate the legality of Shattuck's executive pay and whether the state can restrict it.

The company has said that Shattuck's pay comes entirely from the unregulated side of Constellation's business, which includes energy trading and other activities — and that it's none of the state's business.

The Baltimore Sun's Jay Hancock asked the board and Shattuck last February — with Constellation's stock value nose-diving, hundreds of employees losing their jobs, and losses topping a billion dollars — how Shattuck deserved a bonus? [Their answers](#) included, essentially: 'mistakes were made,' 'it could have been worse,' 'it was a crazy time,' 'the company is actually stronger now' and, as for that commodity trading business that required *so* much borrowing right as the credit markets were imploding: "Well, at least we didn't go out of business.'

Video with this piece is by William Hughes, a local activist and videographer, who covers social justice issues. His videos can be found at: <http://www.youtube.com/profile?user=liamh2> His most recent offering is on the subject of Mayo Shattuck, III's "golden parachute" controversy. It is located at:

http://www.youtube.com/profile?user=liamh2#p/u/0/Nn0Fk3_pddM

<http://baltimorebrew.com/blog/2009/10/08/constellation-chief-shattuck-drives-company-into-ditch-gets-33-million-protesters-say/>