

Timeline: The Ed Martin Severance Scandal

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Ed Martin

ST. JOHN'S, N.L. — The Ed Martin severance affair has been slowly unfolding for more than a month now.

Martin was terminated without cause by the Nalcor board of directors shortly after he announced that he was resigning his post. By terminating him, the board made Martin eligible for nearly \$1.4 million in severance.

Questions continue to swirl around what Premier Dwight Ball knew, when he knew it, and whether he misled the public about the nature of the situation. Here is the timeline of events, to the best of our knowledge, at this point in time.

My intention is to update this timeline periodically, as new information becomes available. If there's anything you think I should add, don't hesitate to get in touch.

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Sunday, April 17

- Ed Martin has a meeting with Premier Dwight Ball to discuss his departure as CEO of Nalcor Energy.

Monday, April 18

- Premier Dwight Ball meets with Stan Marshall to discuss the possibility of Marshall becoming CEO of Nalcor Energy.



Premier Dwight Ball

Tuesday, April 19

- Ed Martin and Premier Dwight Ball hold a second meeting to discuss Martin's departure. At this meeting, Ball and Martin discuss Martin's contract in general terms, but Ball says that it will be up to the Nalcor board of directors to honour the the contract.

Wednesday, April 20

- 11 a.m. Premier Dwight Ball and Natural Resources Minister Siobhan Coady announce that Ed Martin is resigning.
- 11: 45ish? Ed Martin speaks to media, and says he is resigning, effective immediately, because he wants to spend more time with his grandchildren.
- Sometime after 11 a.m. Ball finds out via email that Martin was actually terminated without cause by the Nalcor board of directors. (Ball said this on May 25 in a scrum.
- At some point during the day, Nalcor board of directors decides to terminate Martin without cause. A verbal legal opinion is provided to the board of directors by somebody, about some aspect of this decision.
- Nalcor board of directors announces that they are all resigning, because they no longer feel they have the support of the Liberal government.

Thursday, April 21

- Premier Dwight Ball speaks to outgoing chairman Ken Marshall. Speaking to the media later in the morning, Ball is asked about bonuses paid to executives, and he says, "What I understood on the call that I had with Kenny Marshall this morning, it was somewhere in the vicinity of \$1.25 million for the employees that were impacted by the bonuses."



Natural Resources Minister Siobhan Coady

- 11 a.m. Premier Dwight Ball and Natural Resources Minister Siobhan Coady hold news conference to announce that Stan Marshall will be the new CEO of Nalcor Energy. Ball is asked again whether Martin actually resigned, or if he was pushed out. Ball makes no mention of the termination without cause.
- Notable quote: "One of the things I will say that he did is that there'd be no severance package associated with any compensation for Stan Marshall, so that, if any any point, whatever it is in the future, there would be no severance package attached with this."

Premier Dwight Ball, unprompted, after a reporter asked Marshall how much he was getting paid.

- Notable quote:

VOCM News Director Fred Hutton: Has Ed Martin's severance been worked out yet?

Premier Ball: What I understand is that the board met yesterday. I'm going to speak to Kenny Marshall now later today. I understand that at a board meeting yesterday, they've settled on the severance package as part of the conditions within the contract.

Hutton: How much was that?

Ball: I have no idea. I'm going to talk to Kenny Marshall now later today, so we will get the severance package. There was a contract in place and the severance conditions were part of that contract.

Friday, April 22

- Nalcor board resignation takes effect as of 5 p.m.
- 4:30pm, government announces new board of directors:

John Green, Q.C.
(Interim Chair)

Donna Brewer,
Deputy Minister Finance

Heather M.
Jacobs, Q.C., Deputy
Minister Justice



Longtime Fortis Inc. boss Stan Marshall (left) was picked by Premier Dwight Ball as the new CEO for Nalcor Energy.

Chris Loomis, Memorial University

Stan Marshall, CEO

Tuesday, April 26

- Ed Martin is paid severance by Nalcor Energy of \$1,387,815.74 — equal to two times his salary, bonus and vehicle allowance before taxes and deductions.

Wednesday, May 4

- Nalcor Energy informs media at 4:13 p.m. of the total severance payment. "Severance numbers have been finalized. Mr. Martin's contract entitled him to severance of two times his salary, bonus and vehicle allowance which is a total of \$1,387,815.74. Mr. Martin's severance payment is in accordance with applicable employment law requirements." - Nalcor spokeswoman Deanne Fisher This information is widely reported.

Thursday, May 5

- Premier Dwight Ball finds out about the details of Ed Martin's severance.

Monday, May 9

- Natural Resources Minister Siobhan Coady finds out about the details of Ed Martin's severance. (In the House of Assembly on May 25, she says she was out of the loop because she was at a conference in Houston. "I did not see anything until I returned from Houston on May 9.")
- Premier Dwight Ball (probably) refers the matter to the Department of Justice for review. "The minister was away until, uh, that was, May 5th was either a Thursday or Friday, I think, if I remember that calendar. So it was around, it was early the next week when we took a review of it, and I said this is something that we need to send off to justice, so we acted on that rather swiftly," Ball told reporters on May 25.

Thursday, May 19

- Ed Martin's contract is publicly released in response to an access to information request.

Monday, May 23

- Blogger Des Sullivan first raises concerns that Martin would only qualify for severance if he had been terminated. This is the first public indication that he did not resign, as both Premier Ball and Martin himself indicated.

Tuesday, May 24

- Premier Dwight Ball acknowledges in the House of Assembly that Martin was fired without cause. "The former CEO, Mr. Ed Martin, made a decision to step aside from his role as CEO at Nalcor back in late April, April 20. It was the board that had made the decision then – based on the information they had, they made the decision to dismiss or to terminate the employment without cause of the former CEO."
- Ball says the board received a legal opinion on the matter. "What happened is the former board of directors of Nalcor made a decision (to terminate) without cause after he stepped aside. They made this decision. They sought a legal opinion on this."

- Ball reveals that the government has asked the Department of Justice

Wednesday, May 25

- Nalcor Energy says that there was no written legal opinion provided to the board.

Key questions:

Did Premier Dwight Ball speak to outgoing Nalcor board chairman Ken Marshall on April 21, or in the days immediately following, as Ball indicated they would? Did they discuss severance, as Ball indicated they would?

Who at Nalcor Energy issued the final authorization for the payment of Martin's \$1.37 million severance before it was paid on April 26?

Why did Premier Ball wait until May 24 to reveal that Martin had been terminated without cause, given that he knew this information on April 20?

Why was Premier Ball not informed about the severance payment until one day after it was reported in the media?

Did the Nalcor board of directors violated their fiduciary responsibility to act in the best interest of the company?