

## “The Paramour in the Board Room”

The names and events in this case are disguised.

Michael Chinitz  
Employment Attorney  
mike@chinitzlawllc.com

Jones-EVCharge,Co., is an electric vehicle charging station manufacturer, based in Woburn, MA. It is a leader in quick charge EV charging station manufacturing, and an “old-line” company in this rather new industry.

Founded in 1954 by Howard Jones, it made low-tech charging stations for golf carts, small urban area patrol vehicles, and carts used in airports, campuses.

Upon the death of Howard, his daughter Sarah (now 55) became CEO/Chair of the Board. Under her leadership, the company expanded its electric vehicle charging station capability from New England to the U.S. and Canada.

In 2015, Sarah saw the opportunity to serve the growing electric automobile market by supplying charging stations at shopping centers, apartment buildings, airports, and golf clubs.

Sarah understood that Jones EV Charge would require added capital to grow. In 1968 she sold a 75% interest in the company to Electricity Ventures, a private equity firm. The goal is this private equity firm is to rapidly gain market share and brand recognition. Once that is established, the company would go public. Sarah controls the remaining 25% of the shares.

### JONES EV CHARGE STRUCTURE

There are five members of the Board of Directors: Sarah has kept her role on the Board. Her college roommate and long-term corporate attorney Jane Smith is a Board member. Two partners from the venture capital firm are Directors. And you were added as an independent external Director to supply balance.

As part of the PE transaction, Sarah agreed to step down as Chief Executive Officer. The PE firm brought in James Power as President/CEO because of his experience in growing top line sales in this industry.

The PE firm also brought in Robert Sparks, age 45, to become the Chief Financial Officer. He has experience in this industry and has taken a company public.

Under Power and Sparks’ leadership, Jones-EV is poised to go public, once it can resolve some assembly-line/mass production issues that are resolvable.

## THE PARAMOUR IN THE BOARDROOM

Sarah has close relationships with “players” in the industry. She and her father are perceived as pioneers in this sector.

Sarah has positive relationships with national real estate developers, infrastructural development companies, large commercial and residential property owners and government and quasi-governmental entities that run airports and other transportation hubs across the USA.

In late 2018, following weeks of long work nights, Sarah and Sparks kindled a personal relationship, that for obvious reasons, was kept secret. Sarah, 10 years older than Sparks, became infatuated by him. Prior to Sparks, Sarah had not found a husband or even a life partner.

Sarah was exceptionally controlling in the relationship. When Sarah heard that Sparks had an overnight business trip with a female employee, she would phone him and interrogate Sparks.

In early 2019, Sparks tried to put an end to the relationship, but Sarah prevailed on Sparks to keep it going.

Over the next year, Sarah used a combination of threats to end Sparks’ career at the Company and inducements (such as cash, gifts, and the prospect of becoming yet again a public company CFO) to keep the relationship going.

### ROBERT SPARKS’ DILEMMA

Robert Sparks is conflicted. Keeping up the relationship with Sarah is crucial to his future at the Company. But working under threats of termination, exposure and humiliation by Sarah was stressful.

You are the independent Board Director and Chair of the Audit Committee. You have developed respect for Robert as a professional and enjoy working with him. Robert Sparks asks to meet with you on a confidential basis at a local restaurant. He tells you about his relationship with Sarah. He does not want to leave the company and he does not want to be hounded by Sarah.

He is asking your advice because you know him, the company, and Sarah. He repeats that this conversation should not be shared with the Board or with Sarah.

What is your response to Robert and to the Board?