

'War of the Roses' Case Nets \$15.7 Million Judgment

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In a complex breach of contract case involving the breakup of a lucrative business partnership – which the judge said rivaled Warren Adler’s “The War of the Roses” – a federal judge found Thomas W. Charron Jr. had been denied more than \$15.7 million owed him when the company was sold months after he left.

In 2003, Mr. Charron founded Sallyport Global Holdings, launching the sole proprietorship with a \$100,000 home equity loan. Fellow West Point graduate and veteran John P. DeBlasio joined the company in 2004, given a 50 percent stake by Mr. Charron in exchange for “sweat equity.”

The two built the company – which provided facility maintenance and logistical support to the U.S. government and its contractors in Iraq, Afghanistan and other global hot spots – into an enormously profitable enterprise earning tens of millions of dollars in profit every year. But by 2009, the partners were in conflict and in 2010, Mr. Charron agreed to sell his share of the company to Mr. DeBlasio.

That agreement included a “windfall sale” clause that entitled him to 20 percent of any proceeds if the company was sold for more than \$65 million within a year of his departure. The company was sold several months later in a complicated arrangement that, on paper, appeared to value the company at \$64.5 million, which Judge William H. Pauley, III, of the United States District Court for the Southern District of New York, noted in his opinion was “startlingly close to the \$65 million trigger.”

In a three-week trial, attorneys for Bailey Glasser showed that the transaction actually reflected a value of the company closer to \$79 million. Judge Pauley awarded Mr. Charron just over \$15.7 million as a result.

“We had no witness to the transaction, and every person who was party to it came in and swore under oath that the document reflected the actual value of the company,” said trial attorney Brian A. Glasser. “But we were able to prove that what was on the face of the document was not true. Tom is very pleased with the outcome and is glad to be vindicated, and I hope these people pay their lawful debts now.”

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Mr. Charron was represented at trial by Brian Glasser, J.B. Perrine, and Thanos Basdekis, of the Charleston, West Virginia; Birmingham, Alabama; and Washington, D.C. offices of Bailey Glasser LLP.

Thomas Charron resides in Massachusetts.

Defendant Sallyport Global Holdings, Inc. is a subsidiary of Michael Baker International, a Pittsburgh, Pennsylvania company.

Defendant JPD Private Trust Company Ltd., is a Bermuda trust.

Defendant John P. DeBlasio lives in Chicago, Illinois.

Attorneys

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Practice Areas

Commercial Litigation