

No Queers Allowed

Overview:

Yale's investment manager, Great Hill Partners LLC, was the largest shareholder in Spark Networks from 2006 to 2013. Spark Networks owns and operates ChristianMingle, JDate, and several other niche-focused online personals websites. During this period, visitors to ChristianMingle were not able to search for same sex partners, and the company appointed advisory boards with members who espoused opposition to gay marriage and asserted publicly that homosexuality is not what someone is, but should be "overcome through the working of God's powerful spirit." Yale's investment manager exited the company after making at least a 98% return in its investment, just as a series of discrimination lawsuits were filed.

Yale's investment manager builds ChristianMingle:

Yale's investment manager, Great Hill Partners, LLC was the largest shareholder in Spark Networks from 2006 to 2013. During this period, it was the company's largest investor, and two partners and one principal from Great Hill Partners served on the Board of Directors. In 2010, Great Hill Partners invested about nine million dollars from a fund that held Yale endowment money into Spark Networks, and during this year Great Hills Partners controlled 44.1% of the total stock in Spark Networks. In May of 2012, Michael Kumin, who was a partner in Great Hill Partners, became the Chair of the Board of Directors.¹

Between 2010 and 2013, Christianmingle.com helped Spark Networks grow significantly. Michael Kumin remarked on these successes in his 2013 resignation letter to Spark Network's Board of Directors. Kumin wrote, "It has been a pleasure serving on Spark Networks' Board of Directors for nearly eight years. During the past three years, we have seen a significant evolution in the business with revenues increasing nearly 70% and the subscriber base nearly doubling as the Company built its second iconic brand, ChristianMingle, to sit alongside JDate."²

ChristianMingle appoints religious right advisory board while Yale's investment manager is the largest shareholder in the company:

As part of a strategy to grow ChristianMingle, Spark Networks created an advisory board of "recognized Christians Leaders."³ In its press release, Spark Networks noted that, "The board will continue to further ChristianMingle's mission of bringing together [Christian singles](#) who share the same values, traditions and beliefs to find love, friendship and romance."⁴

The board included members who were against gay marriage and homosexuality. Bob Reccord was on the 2011-2012 board of advisors, and as far back as 2004 he advocated against gay marriage. Responding to President Bush's statements against gay marriage in his State of the Union Speech, Reccord said, "History undeniably proves that every culture around the world has held marriage as the union of one man and one woman -- not any other combination of partners. When that breaks down, so does the future of the family and the procreation of the next generation."⁵

In an article published on ChristianMingle.com, Clayton Coates, another board member, writes, "The Bible is clear that a marriage which is holy and pleasing to the Lord is a marriage between a man and a woman. Therefore, if a dating relationship is to be holy and pleasing to God, it too must be between a man and a woman." He further argued, "We all go through pain and struggles

in our lives. My prayer would be that we all struggle well and continue to struggle... Our tendency as a depraved culture is to make what is wrong in God's eyes, right. That way we don't see our struggles as struggles and just 'who I am.' This is a very dangerous ideology and one rooted in relativism. If you struggle with homosexuality, I pray that you continue to struggle, that you seek help and that you overcome through the powerful working of God's spirit."⁶

Steve Komanapalli, a board member on the 2012-2013 advisory board, was formerly deputy chief of staff to pastor Rick Warren, and is currently a pastor at Warren's Saddleback Church.⁷ Warren endorsed California's Proposition 8 banning gay marriage in 2008, telling his followers, "If you believe what the Bible says about marriage, you need to support Proposition 8."⁸ Warren ignited controversy in 2005 by telling a gathering of 30,000 at the Anaheim Angels stadium to follow Jesus with the zeal of the Hitler Youth.⁹ Warren gave the invocation at Barack Obama's 2009 inauguration, and was invited largely thanks to his activism against AIDS in Uganda. Warren's ally in Uganda is a pastor named Martin Ssempe, who campaigned against condoms and for abstinence-only education, and published the names and addresses of homosexuals in local newspapers and online. Uganda's AIDS rate fell 10 percent between 1990 and 2003, as the government promoted condom use. The pro-condom policies ended in 2005, and AIDS rates quickly began to rise again.¹⁰

Exiting in the Nick of Time: California Civil Rights Lawsuit

In 2013, Aaron Werner and Richard Wright, two gay men, brought a class action suit against Spark Networks for excluding gay users on its dating sites. The lawsuit argued that the policy violated the Unruh Civil Rights Act, a California state law barring business establishments from discriminating based on "sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, or sexual orientation."¹¹ The lawsuit alleged that "Spark has engaged in a systemic and intentional pattern and practice of arbitrary discrimination against gays and lesbians throughout California by denying them full and equal services, accommodations, advantages and privileges in connection with many of its commercial dating services."¹²

As these lawsuits were brought against Spark Networks, Great Hill Partners, LLC began selling its equity in the company. In May 2013, the fund that held Yale's endowment money sold 1,497,088 shares.¹³ Just over two months later Aaron Warner filed a lawsuit against Spark Networks.¹⁴ In November, Great Hill Partners sold nearly all its remaining equity.¹⁵ In December, Michael Kumin resigned from the Board of Directors.¹⁶ In the same month, Richard Wright filed his lawsuit against Spark Networks.¹⁷

The fund that held Yale's endowment money made an estimated \$8,800,000 on an investment of just over \$9 million.¹⁸

Intolerant Legacy:

Spark and the plaintiffs settled the lawsuit in July 2016. Under the settlement, Spark must modify ChristianMingle, LDSSingles, and their other dating sites to allow LGBT users. The search options for "woman seeking man" or "man seeking woman" are replaced by simply asking if the user is a man or a woman.¹⁹ The sites then allow users to choose to view profiles of users of the same gender. However, users cannot filter by sexual orientation - a gay man would view profiles of all men on the site, gay or straight.²⁰

Spark responded to the lawsuit by saying, "Like all other companies, we must abide by the laws

that govern our state and nation,” and indicated that they had no plans to advertise to gay Christians or make ChristianMingle more accessible for gay users. Pastor Clayton Coates of ChristianMingle’s advisory board left the company over the settlement, stating, “It hurts my Lord and it hurts my reputation as a husband, father, pastor and the reputation of my church to stay on the advisory board.”²¹

In 2016, facing decreasing subscribers and revenues, the Washington Post reported that Spark’s new chief revenue officer announced plans for ChristianMingle to “pivot back to its evangelical roots.”²²

Appendix: Timeline of Yale’s Involvement in Spark Networks

Timeline of Yale’s Involvement in Christian Mingle:

- **November 28, 2005:** Shawn G. Pearson registers GHEP III Holdings, LP. The General Partner listed on this registration is Fifth Century LP, which is a Yale-owned entity.²³
- **December of 2005:** GHEP III Holdings, LP, a Yale-owned entity, is listed as a beneficial owner of Great Hill Equity Partners III, LP. This fund is managed by Great Hill Partners, LLC.²⁴
- **December 1, 2005:** Great Hill Partners acquires a minority share in Spark Networks.²⁵
- **February 14, 2006:** Spark Networks launches its IPO.²⁶
- **March 6, 2006:** Great Hills Partners announces that it is the largest Shareholder in Spark Networks.²⁷
- **July of 2006:** Michael Kumin, a partner in Great Hill Partners, LLC, joins Spark Networks Board of Directors.²⁸
- **September of 2006:** Christopher Gaffney, Co-Founder of Great Hill Partners, LLC, joins Spark Networks Board of Directors.²⁹
- **October 8, 2007:** Christopher Gaffney resigns from the Board of Directors.³⁰
- **March 2, 2010:** Great Hill Partners, LLC, a Yale-investment manager, makes a large purchase of shares in Spark Networks, Inc. In this purchase, Great Hill Equity Partners III, LP acquires 3,072,641 shares of Spark Networks.³¹
- **April 28, 2010:** Spark Networks reports that Great Hill Partners, LLC is still the largest shareholder of the company and it owns 44.1% of the company.³²
- **April 2011:** Peter Garran, a principal in Great Hill Partners, LLC, joins the Board of Directors at Spark Networks.³³
- **July 19, 2011:** Spark Networks announces an 2011-2012 advisory board for ChristianMingle.com. The board includes Bob Reccord and Clayton Coates³⁴
- **May 2012:** Michael Kumin is appointed Chair of the Board of Directors at Spark Networks.³⁵
- **August 28, 2012:** Spark Networks announces a 2012-2013 advisory board for ChristianMingle.com that includes Clayton Coates and Steve Komanapalli.³⁶
- **March 26, 2013:** Great Hill Equity Partners III, LP increases its holdings in Spark Networks to 3,089,705.³⁷

- **May 7, 2013:** Great Hill Partners begins selling its holdings in Spark Networks. Great Hill Equity Partners III, LP sells 1,207,411 shares and holds 1,882,294 shares.³⁸
- **May 9, 2013:** Great Hill Partners sells more of its equity in Spark Networks. Great Hill Equity Partners III, LP sells 289,677 shares and holds 1,592,617 shares.³⁹
- **July 19, 2013:** Aaron Werner files lawsuit against Spark Networks.⁴⁰
- **November 25, 2013:** Great Hill Partners sells most of its remaining equity in Spark Networks. Great Hill Equity Partners III, LP sells 1,365,781 shares and holds 226,836 shares.⁴¹
- **December 11, 2013:** Michael Kumin resigns from the Board of Directors.⁴²
- **December 23, 2013:** Richard Wright files lawsuit against Spark Networks.⁴³

Table 1:

	Date	Share's Owned	Change In Share Ownership	Share Price	Purchased Cost
	2-Mar-10 ⁴⁴	3,072,641	3,072,641	\$2.95 ⁴⁵	\$9,064,291
	26-Mar-13 ⁴⁶	3,089,705	17,064	\$7.23 ⁴⁷	\$123,373
Total			3,089,705		\$9,187,664
	Date	Share's Owned	Change In Share Ownership	Share Price	Revenue from Sale
	7-May-13 ⁴⁸	1,882,294	1,207,411	\$7.05 ⁴⁹	\$8,512,248
	9-May-13 ⁵⁰	1,592,617	289,677	\$7.91 ⁵¹	\$2,291,345
	25-Nov-13 ⁵²	226,836	1,365,781	\$5.32 ⁵³	\$7,265,955
Total			2,862,869		\$18,069,548
Profit					\$8,881,884
Percent Return				96.7%	

- 1 See Timeline for dates and citations.
- 2 "Greg Liberman Appointed Chairman of Spark Networks'® Board of Directors" December 11, 2013, Spark Networks Press Release <http://investor.spark.net/phoenix.zhtml?c=155314&p=irol-newsArticle&ID=1884068>
- 3 "2014 Schedule 14A Information" <https://www.sec.gov/Archives/edgar/data/1314475/000119312514187403/d722024ddefa14a.htm>
- 4 "CristianMingle.com Announces 2011-2012 Advisory Board" July 19, 2011. <http://www.marketwired.com/press-release/christianminglecom-announces-2011-2012-advisory-board-1539483.htm>
- 5 "Leaders praise Bush marriage statement; say more is needed" January 21, 2004, Baptist Press. <http://bpnews.net/17477/leaders-praise-bush-marriage-statement-say-more-is-needed>
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- 7 "ChristainMingle.com Announces 2012-2013 Advisory Board Members" August 28, 2012. <https://finance.yahoo.com/news/christianmingle-com-announces-2012-2013-120000008.html>
- 8 Annie-Rose Strasser and Zack Ford, "Rick Warren: I Regret Coming Out In Support of California's Anti-Gay Marriage Proposition", November 28, 2012. <https://thinkprogress.org/rick-warren-i-regret-coming-out-in-support-of-californias-anti-gay-marriage-proposition-634ec21bc015>
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 - 13 See Table 1 in the Appendix for the details of this calculation. <https://www.sec.gov/Archives/edgar/data/1314475/000119312513204654/d533185dsc13da.htm> and "Schedule 13D" May 7, 2013, Page 6. <https://www.sec.gov/Archives/edgar/data/1314475/000119312513204654/d533185dsc13da.htm>
 - 14 "Form 10-K" December 31, 2013, Page 22. https://www.sec.gov/Archives/edgar/data/1314475/000156459014000742/lov-10k_20131231.htm
 - 15 "Schedule 13D" November 25, 2013, Page 7. <https://www.sec.gov/Archives/edgar/data/1314475/000119312513463222/d638224dsc13da.htm>
 - 16 "Greg Liberman Appointed Chairman of Spark Networks'® Board of Directors" December 11, 2013, Spark Networks Press Release <http://investor.spark.net/phoenix.zhtml?c=155314&p=irol-newsArticle&ID=1884068>
 - 17 "Form 10-K" December 31, 2013, Page 22. https://www.sec.gov/Archives/edgar/data/1314475/000156459014000742/lov-10k_20131231.htm
 - 18 This is calculated by analyzing share prices at the date of purchases and sales. See timeline for those dates.
 - 19 "Superior Court of the State of California County of Los Angeles, Central Civil West, Case No: JCCP4823, Judgement" http://online.wsj.com/public/resources/documents/sparks_settlement_2016.pdf
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 - 26 "IPOs as LOV" February 14, 2006. <https://www.crunchbase.com/ipo/da86e83e25a37a196eb951640578e4ff>
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 - 32 "Schedule 14A Information" 2010, Page 22. <https://www.sec.gov/Archives/edgar/data/1314475/000119312510095283/ddef14a.htm>
 - 33 "Schedule 14A Information" 2013, Page 14. <https://www.sec.gov/Archives/edgar/data/1314475/000119312513138580/d512381ddef14a.htm>
 - 34 "ChristianMingle.com Announces 2011-2012 Advisory Board" July 19, 2011. <http://www.marketwired.com/press-release/christianminglecom-announces-2011-2012-advisory-board-1539483.htm>
 - 35 "Schedule 14A Information" 2013 Page 14 <https://www.sec.gov/Archives/edgar/data/1314475/000119312513138580/d512381ddef14a.htm>
 - 36 "ChristianMingle.com Announces 2012-2013 Advisory Board Members" August 28, 2012. <http://www.spark.net/christianmingle-com-announces-2012-2013-advisory-board-members/>
 - 37 <https://www.sec.gov/Archives/edgar/data/1314475/000119312513126108/d510568dsc13da.htm>
 - 38 "Schedule 13D" May 7, 2013, Page 6. <https://www.sec.gov/Archives/edgar/data/1314475/000119312513204654/d533185dsc13da.htm>
 - 39 "Schedule 13D" May 9, 2013, Page 6. <https://www.sec.gov/Archives/edgar/data/1314475/000119312513211289/d536694dsc13da.htm>
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- 46 "Schedule 13D" March 26, 2013, Page 6. <https://www.sec.gov/Archives/edgar/data/1314475/000119312513126108/d510568dsc13da.htm>
- 47 "Historical Stock Quotes" <http://bigcharts.marketwatch.com/historical/default.asp?symb=LOV&closeDate=3%2F26%2F13&x=34&y=27>
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