

The woman suing Point72 and Steve Cohen speaks out about alleged gender and pay discrimination

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Lauren Bonner says quitting wasn't an option.

Bonner is head of talent analytics at hedge fund Point72, a job that gives her access to data like compensation and college grade point averages for individuals hired by the firm. But as she tells it, that data unveiled a gross injustice — one that, inspired by the broader #MeToo movement, encouraged her to take action.

In February, Bonner filed a gender-bias lawsuit against Connecticut-based Point72, though she continues to go to work at the firm's Manhattan office every day.

"I certainly tried to make change internally," Bonner told CNBC in her first television interview. "I just couldn't let it go. I couldn't walk away from the problem. It's too important. It was too blatant, and it's been going on for way too long. I just couldn't help but fight it."



In her lawsuit, filed in New York federal court, Bonner accuses Point72, as well as its founder, the well-known hedge-fund manager Steven Cohen, and its now-former president Douglas Haynes of sexism. Bonner said they violated equal-pay laws, engaged in gender discrimination and retaliated against her by denying a promotion after she reported her superior for harassment.

In a statement to CNBC, Point72 said, "Contrary to Ms. Bonner's assertions, this lawsuit is replete with allegations that are false or based on unsubstantiated hearsay and that she never brought to the attention of Firm management."

Bonner continues to go to work at Point72, a situation she described as, "awkward but also not that bad." She said previously she would come to work "demoralized," but now she feels "a little bit more positive" about what she's doing.

Does Wall Street have an institutional bias?

Bonner's claim intertwines stories of harassment, data on pay disparity and a lack of diversity among the senior ranks at the firm, as well as the obstacles she faced in climbing the ladder.

She said that all of these issues are some form of discrimination against women.

"What I saw over time, looking through the data, was that there was an institutional bias that was so entrenched that it just made it pretty impossible for women to advance economically or professionally," she said.



In her claim, Bonner said that of the 125 portfolio managers that Point72 employs, all but one are men. She said there is only one woman among 32 managing directors. Bonner also points to last year's new hires, of whom, she said, only 21 percent were women; none was brought in as portfolio manager or managing director, she said. One new director was a woman, while 14 were men, she said.

"I see things like female candidates coming out of college have to have GPAs and SATs that are 20 percent to 25 percent higher than their male peers to get the exact same job," Bonner said in the interview.

"I absolutely believe it's due to an inherent bias against women," said Jeanne Christensen, a partner at Wigdor LLP, the law firm representing Bonner in her claim. "It just seems very suspect that you would have an extremely successful company with not one woman at the top."

In the claim, Bonner compared her own compensation with the pay of specific male colleagues. She had been seeking a promotion to the director level from associate director but was denied. She said she believes her inability to move up at Point72 (and narrow the pay gap) was because she reported one of the members of the promotion committee to human resources for alleged harassment. She said he retaliated against her by not granting her the title of director.

'Too aggressive' for a promotion

Bonner had only been at Point72 for about 18 months when she filed the lawsuit but said her short tenure was not a factor in the promotion committee's decision.

"It couldn't be experience because men with lesser and worse experience came in at a higher level than I did — off the bat," Bonner said. "It's also hard to imagine that it has anything to do with performance because I got the highest possible performance reviews."

Bonner said she was told she was "too aggressive to be promoted."

"You certainly don't build a cutting-edge technology platform by being a hothouse petunia, so I certainly had to be assertive to get things done," she said. "It's confusing to be labeled with that word, aggressive, when it's a culture of performance, and men are specifically told to be more aggressive and to break more china."

Bonner alleges that men with less experience and fewer responsibilities were coming into Point72 at the director level, which ranks above associate director. She said her compensation was as low as 35 cents on the dollar that these men made. Bonner says that she hasn't seen instances of women making more than men who were doing the same job at Point72.

"I don't think this is a question of nuance," she said.

A spokesperson for Point72 said the firm "was already addressing the underrepresentation of women and minorities — a reality across the finance industry — with a series of initiatives designed to recruit and support them before Ms. Bonner was hired. In fact, she was involved with some of those initiatives."

"But instead of working with us constructively to advance our goals of diversity and inclusion — and after only 18 months of employment at the Firm — Ms. Bonner demanded \$13 million, and sued when that demand was rejected."

A representative for Bonner declined to comment on the \$13 million figure.

An internal review of the firm's culture

Point72 is seeking to move the case from court to arbitration, where the merits of it would be argued out of the public eye. That decision is up to a judge, who has yet to rule on the firm's request.

Regardless of the forum, Bonner will find herself up against a defendant who is known for his dogged battles through the court system. Cohen's former hedge fund, SAC Capital, paid a record \$1.8 billion fine to the government to settle charges of insider trading brought against the firm in 2013.

Cohen himself was charged in a civil case by the Securities and Exchange Commission with failure to supervise his employees and was banned from managing outside capital as part of a settlement. He did not admit or deny wrongdoing, and the ban was lifted earlier this year.

Also this year, Point72 hired the law firm WilmerHale to conduct an internal review into the firm's culture. Cohen announced several changes in April following the review, including expanded parental leave and the creation of "Chief Inclusion and Engagement Officer."

"We conducted an internal review for Point72 because Steve Cohen wanted to ensure that his firm was living up to its stated values," said WilmerHale's Jamie Gorelick, who led the review. "He fully embraced changes that we suggested in a way that is rare for a corporate leader. I

think that the firm's culture is already stronger."

The firm has previously said that the review was not in response to Bonner's lawsuit. Haynes as well as Michael Butler, head of human resources, departed the firm between March and April. Haynes couldn't be reached for comment.

In an email to CNBC, Butler said he decided to retire after four years as Point72's head of human capital and will act as a consultant to the firm until the fall. "I am extremely proud of the transformational work we did with our Human Capital team during my tenure, finding new ways to source, select, develop, reward and retain our employees. We delivered on our Mission to create the greatest opportunities to the industry's brightest talent. "

Bonner said she doesn't know if the departures were a result of the suit, only to say "They left shortly after I filed."

"The real win I hope for is an intolerance of bad behavior at the firm," Bonner said. "And ultimately, of course, I hope for gender parity and equal pay."

When asked whether her job has changed at all since she filed the lawsuit, Bonner said, "My role is the same, but I'm a little less busy than I used to be."

Bonner, who has previously worked at the largest hedge fund in the world, Bridgewater Associates, conceded that sexism is an "industry-wide issue," but added that it's "particularly acute at Point72."

But so far no other women have publicly signed onto her lawsuit or filed a similar one against Point72. And few have come forward to call out any type of systematic bias on Wall Street.

"There's a reason more stories haven't come out, and it's not for lack of stories," Bonner said. "They haven't come out because of this culture of this small boys club that you really have to know other people to get jobs."

There are some other high profile gender bias cases on Wall Street. In March, a federal judge cleared the way for a class action lawsuit against Goldman Sachs. Four women who are former employees sued the bank in 2010 over allegations of systemic gender bias, including discrimination in pay and job promotion. Goldman has asked the court of appeals to review the decision.

As for what hedge funds and other financial institutions can and should be doing to make the environment better for women, Bonner said it's as simple as awareness by leadership.

"Choose to be intolerant of bad behavior," she said. "It may be uncomfortable to call someone out. But that's what actually changes a culture. And I would say for leaders at funds to actually embrace intolerance of poor behavior, would actually go a long way."