

New Jersey, BlackRock Sued for Alleged Discrimination, Theft

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- Blueprint Capital says proprietary information was shared
- Suit claims New Jersey discriminated against Black-owned fund

Asset manager Blueprint Capital Advisors sued New Jersey's Division of Investment and BlackRock Inc., claiming they stole confidential business information and discriminated against the Black-owned firm.

Blueprint claimed it turned over hundreds of pages of confidential business information, in meetings, emails and conference calls, to the state agency and its outside consultant, Cliffwater LLC, as part of an investment pitch.

In a complaint filed Tuesday in federal court in New Jersey, Blueprint said state officials assured it they would go ahead with an investment, but then announced they would do a similar deal with BlackRock, the world's biggest asset manager. The division forced a scaled-back investment on Blueprint and retaliated against the firm for claiming the state had engaged in racial discrimination, according to the lawsuit.

Blueprint said in the complaint that after the DOI opted to implement the initiative with BlackRock instead of Blueprint, one DOI official said New Jersey was "not a fan of investing with women- and minority-owned firms."

"The agency had an aversion to minority- and female-owned businesses," Blueprint claimed.

New Jersey, BlackRock, Cliffwater and several individuals are named as defendants in the lawsuit. Blueprint seeks unspecified money damages.

A representative in the office of New Jersey's attorney general declined to comment on behalf of the state.

BlackRock Denies Wrongdoing

BlackRock said it has no tolerance for discriminatory or unethical conduct. The company said it participated in a competitive process for the New Jersey business and had no knowledge of prior discussions between the state and Blueprint.

"A review of Blueprint's allegations by BlackRock and an outside law firm has found nothing inconsistent with our standards nor anything suggesting any wrongdoing by BlackRock," BlackRock's Mark McCombe said in an emailed statement. "Nor have we

found any evidence that BlackRock improperly received any materials or other information regarding Blueprint's plans or proposal as alleged."

Cliffwater said it has investigated Blueprint's claims and determined they "have no merit."

"Cliffwater condemns discrimination in any and every form," the firm said in a statement. "There is no place for discrimination of any kind in our society."

Blueprint, based in Newark, New Jersey, was started by Jacob Walthour and Carrie Pickett, two Black investment professionals, in 2015. They began discussions that year with New Jersey about investing through its "FAIR" program, which it described in its complaint as "aimed at using or structuring alternative investments through managed accounts or fund-of-one structures." The program targeted public pension funds and offered lower fees, it said.

Blueprint said in the filing it repeatedly complained and raised objections with New Jersey through "several channels" that it had been "the victim of unlawful discrimination because of its status as a business founded by African-Americans and a woman."

Walthour earlier this year addressed discrimination on New Jersey's investment council in public comments at a joint committee meeting of the state legislature, citing that the state's pension fund had hired only three women-owned and minority-owned managers in a decade.

BlackRock manages about \$6.5 trillion in assets. Its senior leaders are about 3% Black, according to [company disclosures](#). On Monday BlackRock Chief Executive Officer Larry Fink announced the New York-based firm plans to increase its Black workforce and donate to organizations focused on equality, after weeks of U.S. protests calling for racial justice.

The case is Blueprint Capital Advisors LLC v. State of New Jersey, 20-cv-07663, U.S. District Court, District of New Jersey (Newark).