

Lawsuit Accuses Cohen's Point72 of Discrimination

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By Mary Childs

"The reality is that this is just a really tough place for women and that's not going to change."

So alleges a new lawsuit against **Steve Cohen's** money management firm, attributing that statement to Chief Legal Officer, **Kevin O'Connor**. **Lauren Bonner**, an associate director at Cohen's family office **Point72 Asset Management**, filed the suit today alleging pay disparity and discrimination in treatment and opportunity.

The suit names Point72, Cohen, and Point72's President **Doug Haynes**, who joined in 2014 as managing director of "Human Capital."

Founded in 1992, Cohen's **SAC Capital** was wildly successful, its annual returns north of 30% helping it grow to more than \$15 billion in assets under management. But those spectacular returns attracted the attention of authorities, who spent years trying to chase down tips that SAC was generating them using ill-gotten "insider" information. The fund pleaded guilty to insider trading charges in 2013, and paid a fine to the government.

Cohen was temporarily barred from managing other people's money, so Point72 invests his personal wealth, about \$11 billion, while he's on the sidelines. That ban lifted at the start of this year and he is said to be gearing up to manage outside money again.

Over the past few years he's been working to shore up his image, emphasizing his philanthropic efforts and art collecting. He changed the firm's incentive structure and management, adding firm "values," which included the following bullet points: "We are professionals who conduct ourselves ethically and with integrity at all times. We operate as one firm, dedicated to succeeding together, with mutual respect and commitment. We are exemplary citizens of the world and contribute to the communities in which we live and work."

The suit lists those values and contrasts them with the alleged behavior: "Exemplary managers do not call female employees 'sweetheart' rather than using their names."

The suit by Bonner, who is also co-chair of Point72's diversity committee, comes just weeks after a former employee sued **TCW Group**, asking for \$30 million over claims of retaliation, sexual harassment and discrimination. TCW says she was fired for violations of firm policy, but distressed-debt specialist Sara Tirschwell says it was after she filed a complaint with HR about her boss harassing her. TCW says it is "proud of its inclusive culture and has a zero tolerance policy for any form of predatory behavior," and is "committed to taking appropriate action in any case where harassment claims are made."

Over the past six months, kingmakers in Hollywood, Las Vegas, media, and politics have been stripped of power after allegations that they had abused people, mostly women. Those in the finance industry have been watching these events unfold with some anxiety. Many proffer that Wall Street "paid its dues" in the Salomon Brothers Boom-Boom-Room era. But the "boys' club atmosphere" detailed in Bonner's lawsuit echoes Megan Messina's 2016 lawsuit against Bank of America ("bro's" club there, specifically), and the string of sexist comments compiled in Bonner's suit -- that Point72 executives say they can't hire women because their "wives won't let them" or performance reviews including accusations of being "too aggressive" or "too emotional" -- sound all too familiar.

"The complaint we filed today on behalf of our client, Lauren Bonner, exposes the structural sexism at Point72," **Jeanne M. Christensen** and **Michael J. Willemin**, Partners at **Wigdor LLP** said in an e-mailed statement. The suit claims it was a "demeaning, abusive environment where men use the word 'Pussy,' openly declare that 'no girls [are] allowed' in meetings, and refuse to hire women because their 'wives will not let them.'"

"As alleged, the male centric leaders at Point72 opted to operate above the law. We are confident that a jury of Ms. Bonner's peers will hold Point72 accountable for what we believe is abhorrent conduct that effectively reduces female employees to second-class citizens."

Point72's external spokesman Jonathan Gasthalter said on behalf of the firm:

"The Firm emphatically denies these allegations and will defend itself in a more appropriate venue than the media. We stand by our record of hiring and developing women. In an industry where women are historically underrepresented, the hundreds of women at Point72 are vital members of every part of our organization. Our female investment professional workforce exceeds published industry averages – a direct result of our concerted and sustained focus on promoting diversity at Point72."

The suit alleges that fewer than 1% of Point72 portfolio managers are women, and fewer than 3% of its 32 managing directors are women. When **Sara Vavra** joined the firm's senior-most decision-making committee in August 2017, she was the first woman on the committee, and, the suit says, the committee that hires more than 75 investment professionals per year is made up entirely of men.

Bonner and her diversity-committee co-chair "repeatedly requested access to data regarding pay based on ethnicity and gender," according to the suit, but their requests were denied. In retrospect those numbers would have been very useful for this complaint.

The suit throws readers some red meat, listing salaries to illustrate the disparity between employees, a gap they say got as wide as 65 cents on the dollar. For context on just how insulting these discrepancies were, the suit makes light of the provenance of these better-remunerated co-workers: one came from **Two Sigma**, where he "ran a subset of recruiting – a position that Ms. Bonner handled more than five years ago at a larger and more prestigious firm." Another was "responsible for hiring many of the individuals that were responsible for **Senfina** [a hedge fund within the Blackstone Group] incurring double-digit losses in 2016." A

third came from **Och-Ziff Capital Management**, "a firm that was rocked by scandal surrounding a five-year bribery probe and which suffered massive withdrawals in 2016."