

Steven Cohen's Point72 Is Accused of Sexism in Workplace

B www.bloomberg.com/news/articles/2018-02-13/steve-cohen-s-point72-accused-in-lawsuit-of-sexism-in-workplace

Just as billionaire Steven Cohen stages a comeback as a hedge fund manager, a current employee sued his Point72 Asset Management accusing it of discriminating against women and promoting a culture of sexism.

Lauren Bonner, an associate director at the firm, also accused President Doug Haynes of using an inappropriate term on a white board in his office and leaving it there for weeks, according to the complaint filed in federal court in New York on Monday. Haynes, a former McKinsey & Co. director, was hired in 2014 and led efforts to revamp Cohen's business after it pleaded guilty to securities fraud and paid a record fine.

Bonner, who joined Point72 in August 2016, runs the firm's talent analytics team and manages 14 people, according to the complaint. She alleges the firm hired and promoted fewer women than men, paid her less than male counterparts with equal or fewer responsibilities and had only one woman portfolio manager and only one female managing director.

Point72 "emphatically denies these allegations and will defend itself in a more appropriate venue than the media," the Stamford, Connecticut-based firm said in an emailed statement.

'Vital Members'

"We stand by our record of hiring and developing women," the firm said. "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."

Bonner's attorneys at Wigdor LLP said in an emailed statement that the lawsuit "exposes the structural sexism at Point72."

Along with Point72, Cohen and Haynes are named as defendants in the case. The New York Times reported the lawsuit earlier Monday.

Until January, Cohen had been banned for two years from trading client money after his old hedge fund agreed in 2013 to pay a \$1.8 billion fine to U.S. authorities. Cohen returned client money as part of that settlement and the firm's name was changed to Point72 from SAC Capital Advisors.

Since settling the charges, the firm embarked on a companywide effort to overhaul compliance and recruit young talent. Among other changes, it renovated its gym and built a lactation room for employees. Haynes has said that Point72 adheres at all times to

professionalism and the “highest ethical standards.”

Cohen, 61, had planned a return to managing client money as soon as this month. While his marketers speculated last year that they could raise \$10 billion for the relaunch, the figure is closer to \$3 billion, Bloomberg News has reported.

#MeToo Movement

Bonner’s accusations come as the #MeToo movement spreads across industries, prompting women to share their stories of sexual misconduct and gender inequity. Women have spoken up against powerful men in the media, finance and politics, calling attention to egregious behavior.

Last year, Ray Dalio, the billionaire founder of Bridgewater Associates, defended his top executive Greg Jensen from allegations of a personal relationship with a female employee, saying he’s a “man of high character.” Fidelity Investments fired two prominent money managers over sexual-harassment claims, while State Street Corp. agreed to pay \$5 million to settle federal allegations that it paid 300 female executives less than their male colleagues.

Last month, a former TCW Group Inc. portfolio manager sued the asset manager for at least \$30 million, claiming she was fired after complaining of harassment. The firm has denied the allegations.

Bonner cited in her complaint the behavior of executives including Seetharam Gorre, Point72’s former chief information officer who left to join Citadel last month, and Chief Operating Officer Timothy Shaughnessy. Bonner said that even after she complained internally about Gorre for “offensive and inappropriate behavior,” he was still allowed to sit on a committee that determined if she would be promoted. Bonner accused Shaughnessy of referring to female employees as “girls” and declaring meetings as “no girls allowed.”

Citadel spokesman Zia Ahmed didn’t immediately respond to a request for comment and a spokesman for Point72 referred to the statement when asked about executives named in the suit.

— *With assistance by Josh Friedman*