

Steven A. Cohen Accused of Running a Sexist Hedge Fund

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MANHATTAN (CN) — Fresh off a two-year suspension from running a hedge fund, billionaire investor Steven A. Cohen was delivered another problem Monday: a federal lawsuit accusing him of running his new hedge fund as a boys club.

Lauren Bonner sued Cohen, his new hedge fund Point72 Asset Management, and Point72 president Douglas D. Haynes, in an eight-count lawsuit that begins by saying that for weeks, “Pussy” was written on the whiteboard hung in Haynes’ office, where meetings were held.

Bonner, represented by Jeanne Christensen with Wigdor LLP, then describes a fund raiser she attended in 2017 with many other Point72 executives, “including a highly paid P72 consultant and close business associate of Cohen’s, Dave Black.”

While Bonner talked with a male colleague, she says, Black approached them with a woman neither she nor her colleague knew. When the woman moved on after chatting, Bonner says, her colleague asked who she was. According to the lawsuit, Black replied: “Why? Do you want to fuck her? You can, she works for me.”

Bonner says she and her male colleague “stood by in horror, unable to speak. It is against this backdrop that Ms. Bonner and other female employees at Point72 must navigate their work environment.”

Black is not a party to the 32-page complaint, in which Bonner seeks damages for violations of the federal Equal Pay Act, the New York Equal Pay Law, and gender discrimination, retaliation, and aiding and abetting violations of New York State and New York City human rights laws.

Bonner does not accuse Cohen of sexist behavior, though she says his firm is rife with it. In that sense — failure to supervise — her lawsuit resembles the SEC complaint that brought down Cohen’s previous hedge fund, SAC Capital Advisors, in 2014.

SAC pleaded guilty to insider trading and was fined \$1.8 billion. Cohen was not charged with insider trading, but agreed that he failed to oversee an SAC trader. He was barred for two years from running a hedge fund. That bar expired at the end of 2017.

During that time, Cohen created Point72 to manage his personal fortune, estimated at \$11 billion. Cohen’s two-year bar did not prohibit him from trading on his own account, only from trading for others.

Based in his home town Stamford, Connecticut, with an office in New York City, Point72 has more than 1,000 employees, including 125 portfolio managers, who do the trading, according to Bonner's lawsuit. Of those 125, she says, only one is a woman. And of the 30 to 32 managing directors, only one is a woman.

Point72 hired 15 new managers in 2017 — 14 men and one woman, according to the complaint.

Bonner says women employees, including her, are “routinely denied promotions and regularly forced out after male executives accuse them of being ‘too emotional,’ ‘too sensitive’ or simply, ‘women.’”

The complaint continues: “In fact, incredibly, *after* Ms. Bonner filed a complaint against Seetharam Gorre, a high-ranking male executive at the company, Gorre was permitted to sit on the promotion committee responsible for determining whether Ms. Bonner would be promoted, and prevented her from being promoted on the transparently pretextual, disingenuous and discriminatory grounds that she was ‘too aggressive.’ Of course, for men, aggression is seen as a positive in promotion decisions, and men at the company are encouraged to be more aggressive.”

For example, she says, “Haynes regularly tells male employees to be *more* aggressive’ or to ‘break more china,’ and P72 actively represents that it seeks to hire individuals that are ‘strong,’ ‘robust’ and ‘rigorous.’

It is common knowledge that women will be paid less at Point72, Bonner says: from one-third to one-half as much as similarly situated men. In fact, she says, “Tim Shaughnessy, Point72’s Chief Operating Officer, regularly calls female employees ‘girls’ and openly holds meetings in advance of which he declares, ‘no girls allowed.’”

Bonner says Point72 hired her in August 2016 as an associate director. She supervises 14 employees as head of its talent analytics team and was paid \$300,000 last year, with a \$150,000 bonus and a 20 percent bonus deferred for three years and invested at Point72. This year her “target compensation” is \$300,000 base pay and a \$225,000 bonus.

However, she says, one less-qualified and less-experienced male director was hired at \$725,000, though he manages only six to nine employees, to her 14.

Another new hire, also male, was hired at \$1.3 million, to manage five to eight people, she says, and a third was hired for \$1 million.

There are no women on the executive or hiring committees, Bonner says, and as a sample of gender discrimination, “Haynes made another female employee draft a PowerPoint presentation *less than 48 hours after giving birth*, as well as participate in a conference call.”

Nor has Point72 ever promoted a black employee to portfolio manager or managing director, she says. In fact, she says, though she was co-chair of the company’s diversity committee, “she and her co-chair were obstructed in their efforts to obtain and analyze certain data

concerning compensation breakdowns by gender and ethnicity at P72.”

She seeks an injunction and damages, with interest.

None of the parties could be reached for comment before work hours Tuesday morning.

Point72 denied the charges in a statement to The New York Times.