



**EQUAL EMPLOYMENT  
OPPORTUNITY COMMISSION**

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KAREN WARD, :  
 :  
 : **EEOC No.:** \_\_\_\_\_  
 : **Claimant,** :  
 :  
 : **v.** : **SUPPLEMENT TO CHARGE OF**  
 : **DISCRIMINATION AND**  
 **ERNST & YOUNG GLOBAL LIMITED,** : **RETALIATION**  
 :  
 : **Respondent.** :  
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**Claimant Karen Ward brings this Charge of Discrimination and Retaliation against Ernst & Young LLP (“EY” or the “Firm”), and hereby alleges as follows:**

**INTRODUCTION**

1. Women at EY are underpaid, under-promoted and subjected to sexual harassment and all forms of disparate treatment.

2. When women at EY complain about this discriminatory treatment, and ask to be treated with dignity and respect, they are retaliated against and marginalized even further. Their opportunities to succeed are systematically eliminated, and EY actively ensures that these women are unable to meet their performance goals. Then EY turns around and fires these women for purportedly failing to perform. This is wrong, and it is unlawful.

3. Karen Ward, a former Principal (Partner) at EY, has experienced the misogyny that permeates EY firsthand.

**A. Transaction Advisory Services**

4. Ms. Ward was hired into the Transaction Real Estate (“TRE”) group within EY’s Transaction Advisory Services (“TAS”) division.

5. At the time she was hired, **none of TRE's 10 Principals/Partners were women,** and only **four out of the 42 members of TRE's management-level employees (less than 10%) were women.**

6. It is no coincidence that virtually every leadership position within TRE is held by a man, as this discriminatory hierarchy is simply par for the course in TAS and at EY generally.

7. **Only one of the 25 members of TAS's "Leadership" (4%) is a woman.**

8. Of the **18 members of EY's "Global Executive," only four (22%) are women.**

[https://www.ey.com/en\\_gl/global-executive](https://www.ey.com/en_gl/global-executive).

9. According to reports, as of 2016 **fewer than 20% of EY's Partners were women.** See <https://www.afr.com/business/accounting/revealed-the-number-of-female-equity-partners-at-pwc-kpmg-ey-and-deloitte-20161118-gsspq9>.

10. While employed in TAS, Ms. Ward was subjected to discriminatory sexual harassment and a hostile work environment at the hands of, among others: (i) Ms. Ward's first supervisor at EY, Principal Michael McNamara; (ii) Mr. McNamara's boss, Michael Straneva, a current EY Partner and the current Head of TRE; and (iii) Charlie Kalocsay, an Executive Director in TRE. By way of example only:

- Male leadership in TRE, including Mr. Straneva, Mr. McNamara, and Mr. Kalocsay **regularly entertained clients (and themselves) at bars and / or strip clubs,** which of course acted to ensure that women would be excluded from important client outings. They frequently included men from TRE such as Brendan Sparrough and Brian Tress on these outings.
- Mr. McNamara regularly discussed these trips to strip clubs and frequently suggested that Ms. Ward should go out with him to "**titty bars.**"
- Mr. McNamara often told Ms. Ward that he loved her "**great big round boobs**" and that she "**has a nice ass;**"
- Mr. McNamara would regularly use the term "**douchebag.**"

- Mr. McNamara referred to Joanne Dunbar, who is now EY's Americas Markets Leader for the People Advisory Services group, only as Joanne "boob-bar," because he liked her "big breasts."
- Mr. Straneva participated in an offensive conversation with a male client about pole dancing in Ms. Ward's presence.

11. It was also regular practice for certain men at EY to brag that they were able to situate their chairs in such a way that they were able to see a junior female employee's vagina, or, as they disgustingly referred to it, her "snatch."

12. Ms. Ward made numerous complaints regarding this discriminatory conduct to Gary Koster, who, when she made the complaints, was the Head of TRE. These complaints were often made *in writing*, including complaints about trips to strip clubs, the use of discriminatory language and discriminatory disparate treatment. No action was taken to remedy the discrimination and harassment to which Ms. Ward was subjected.

13. Instead, in an effort to silence Ms. Ward, EY moved Ms. Ward and her team out of TRE and into the Ernst & Young Capital Advisors ("EYCA") group. When Ms. Ward left TRE, she was told by EY Principal Troy Jones, "there is an issue here because you are a woman," and "women do not succeed here [at EY]."

14. Mr. Jones also told her that because of her complaints Ms. Ward would not get any referrals for business or assistance when she moved to EYCA.

15. James Carter, the Head of EYCA, also informed Ms. Ward, in writing, that Mr. Koster "seem[ed] to be worried the faucet will be shut off," with respect to providing Ms. Ward necessary assistance and support.

16. EY Partner Thomas Brown warned Ms. Ward to "be careful" with her complaints to ensure that she would not "be perceived as bitchy."

17. Thus, as a result of her complaints of unlawful discrimination, Ms. Ward was retaliated against, removed from the picture in TRE and explicitly told that she would no longer have any support at EY because of her complaints and gender.

18. To Ms. Ward's knowledge, to this day no one has been held accountable at EY for this discriminatory and retaliatory conduct, nor have Mr. Koster, Mr. Straneva or any other male leader in TRE or TAS been in any way reprimanded for discriminating and retaliating against Ms. Ward.

**B. Ernst & Young Capital Advisors**

19. When Ms. Ward was moved to EYCA (**where she was the only woman Partner out of 19 in the group – now there are none**), she found that not only was the “faucet shut off,” but also that, in its zeal to ensure that Ms. Ward's business would fail, EY looked the other way while the men in TRE violated securities laws and regulations in competing against Ms. Ward.

20. Ms. Ward complained about these securities violations (including **illegal securities solicitations, illegal brokerage solicitations, soliciting transactions and providing advice without required licenses, the intentional provision of bad advice to clients and attempts at insider trading**) to Steven Payne, the Americas Deputy Leader of TAS. She also made complaints regarding this conduct to Mr. Koster, Mr. Carter, Leigh Miller, a Partner and the Global Leader for Valuation and Business Modeling, Scott Rivello, a Partner and the US Leader for Valuation and Business Modeling and William Casey, the TAS Americas Vice Chair, among others.

21. Ms. Ward also complained that TRE (led by Mr. Koster and Mr. Straneva) was continuing to run her business in direct competition with what she was supposed to be doing in EYCA, and that this conduct was discriminatory and retaliatory.

22. The backlash that Ms. Ward received from these complaints was substantial.

- Mr. Koster told Ms. Ward to “be careful” because she was “**being perceived as a bitch.**”
- In response to one complaint, Mr. Casey told Ms. Ward that she had “**pulled the tail of the lion.**”
- In response to Ms. Ward’s complaints of discrimination, Mr. Carter warned: “**Don’t push that rock up the hill, it will roll back on you and crush you.**”
- Mr. Carter also told Ms. Ward to “**lighten up,**” “**avoid crying wolf**” and not to make “**ticky-tack**” complaints.
- In response to another complaint, Mr. Carter asked Ms. Ward to reword her complaint “**such that you are not complaining. Understand?**” (emphasis added).
- Mr. Miller and Mr. Rivello told Ms. Ward that she was being “too hard” (a gender-biased term that would not have been used to describe a man) on the men in TRE.
- Kathryn Tunstall, a member of the TAS “People Team,” took literally no remedial action in response to Ms. Ward’s complaints of gender discrimination.

23. Again, despite being on notice of this behavior, to Ms. Ward’s knowledge nothing has been done to reprimand Mr. Casey, Mr. Carter, Mr. Koster, Mr. Rivello, Ms. Tunstall or any of the men in TRE who were violating federal securities laws and state real estate laws in their zeal to retaliate against Ms. Ward.

**C. Ms. Ward Is Terminated for Discriminatory and Retaliatory Reasons**

24. Not surprisingly, given the above-described discrimination and retaliation to which Ms. Ward was subjected, it was impossible for her to meet her 2017 revenue targets.

25. Nevertheless, in 2018 EY increased Ms. Ward’s revenue target to a figure that was significantly higher than the target given to many of her male peers who had bigger staffs

and who were actually being supported by EY. Of course, Ms. Ward was unable to hit this 2018 revenue target.

26. However, very shortly after the close of the 2018 FY, in July 2018, Ms. Ward facilitated a transaction between ProMedica and HCR ManorCare that resulted in a \$5,000,000 fee paid to EY. This fee far exceeded Ms. Ward's revenue target, yet on August 14, 2018, Ms. Ward was informed that she would be terminated effective October 31, 2018, purportedly because her business was "not profitable."

27. Even putting aside the fact that any failings of the business were the result of the discrimination and retaliation to which Ms. Ward was subjected, the rationale proffered for Ms. Ward's termination is clearly a pretext for discrimination and retaliation. Throughout her employment, Ms. Ward was responsible for approximately \$50,000,000 in fees paid to EY. Any assertion that she was not profitable is flatly false. Moreover, Ms. Ward's business is not being exited. It is continuing to be run by male leadership in TRE as it has been since Ms. Ward was removed from TRE in retaliation for her complaints and essentially cut out of any meaningful role in its operation.

**D. EY's Discriminatory Pay Practices**

28. To add discriminatory insult to injury, Ms. Ward was paid substantially less than her male peers. Indeed, according to a senior EY executive, **Ms. Ward earned hundreds of thousands of dollars less than her similarly situated male peers**, and hundreds of thousands of dollars less than the average Partner (of course, the average Partner is a man).

29. Ms. Ward's discriminatory pay is unfortunately consistent with EY's documented pattern and practice of paying women less than men for equal work. Indeed, although Ms. Ward does not yet have precise data for U.S. Partners, EY's recent UK "pay gap" disclosures establish

that the average woman at EY is paid 38 percent less than the average man (and the pay gap is even greater for women partners versus male partners). See <https://www.bloomberg.com/news/articles/2018-03-08/deloitte-pwc-and-ey-cave-to-pressure-on-u-k-gender-pay-gap>.

## **PARTIES**

30. Claimant Karen Ward is a resident of York, South Carolina. Ms. Ward was employed by Respondent EY for more than five years. In 2015, Ms. Ward was elevated to a partnership position with the Firm, and remained a Partner until she was unlawfully terminated because she is a woman and made various complaints about gender discrimination.

31. Respondent Ernst & Young LLP is a limited liability partnership organized and existing under and by virtue of the laws of the State of Delaware, and has its principal place of business at 5 Times Square, New York, New York 10036.

## **FACTUAL ALLEGATIONS**

### **I. MS. WARD IS HIRED INTO THE TRANSACTIONAL REAL ESTATE GROUP AND SUBJECTED TO DISCRIMINATION**

32. Ms. Ward is a graduate of Stanford University and the Wharton School of Business, after which she held positions at Morgan Stanley, Goldman Sachs and Bank of America/Merrill Lynch. Ms. Ward was a high-performer at each institution, and always received the highest possible performance scores. Ms. Ward then spent more than three years as a Managing Partner of The CenterCap Group, a boutique investment bank that provides advisory, capital-raising and consulting services to companies and fund managers across the real estate industry.

33. In 2013, Ms. Ward was recruited to join EY. During the interview process, Ms. Ward was told that she would be brought in as a Partner to lead real estate transactions within the

Transaction Advisory Services (“TAS”) group. However, despite these representations, Ms. Ward was ultimately offered a non-Partner position in the Transaction Real Estate (“TRE”) group.

34. The decision not to offer Ms. Ward a Partnership position was in keeping with TRE’s discriminatory hiring and promotion practices. Indeed, at the time Ms. Ward was hired, only four out of the 42 members – less than 10% – of TRE’s management-level employees were women. Specifically:

- **None** of TRE’s 10 Principals/Partners (0%) were women.
  - Subsequent to Ms. Ward being moved to another group, TRE hired two partners who are both men, bringing the total Principal/Partner pool to 12 men and 0 (0%) women.
- **Only one** of TRE’s Executive Directors (12.5%) were women.
- **Only three** of TRE’s Senior Managers (11.5%) were women.

35. The gender inequality in TRE’s leadership is unfortunately indicative of gender inequality in TAS, as well as at EY overall.

- Only **one** of the 25 (4%) members of TAS’s “Leadership” is a woman.
- Of the 18 members of EY’s “Global Executive,” only **four** (22%) are women. [https://www.ey.com/en\\_gl/global-executive](https://www.ey.com/en_gl/global-executive).
- According to reports, as of 2016 fewer than 20% of EY’s Partners were women.

36. Not surprisingly, TRE’s male dominated leadership team fostered a work environment in which sexual harassment and inappropriate sexual comments were commonplace.

37. By way of example, Ms. Ward's first supervisor at EY, Principal Michael McNamara – a/k/a “big Mac,” who was then the head of TRE, routinely engaged in sexually harassing and inappropriate conduct, including, *inter alia*:

- Telling Ms. Ward that she looks “really hot”;
- Telling Ms. Ward that he loves her “great big round boobs”;
- Telling Ms. Ward that she “has a nice ass”;
- Insisting that Ms. Ward go to dinner with him;
- Asking Ms. Ward to have drinks with him; and
- While on work trips, texting Ms. Ward at 2:00 a.m. to meet him for drinks in the hotel bar.

38. These comments are mere examples, as Mr. McNamara would make similar comments almost every time he interacted with Ms. Ward.

39. Mr. McNamara also made comments about other women at EY who he apparently found attractive. Again, as an example only, Mr. McNamara referred to Joanne Dunbar, who is now EY's Americas Markets Leader for the People Advisory Services group, only as Joanne “boob-bar,” because he liked her “big breasts.”

40. Mr. McNamara was also obsessed with, and regularly discussed, his trips to strip clubs with other male employees and EY clients, and frequently suggested that Ms. Ward, while traveling on business, go out with him to “nightclubs and titty bars.”

41. Mr. McNamara was not alone on this front. It was no secret at EY that male TRE partners regularly used strip clubs to entertain clients (and themselves), which of course acted to ensure that women would be excluded from important client outings. Indeed, Mr. McNamara often visited strip clubs with clients and with his boss, Michael Straneva, a Partner and the former Head of TRE, as well as Charlie Kalocsay, an Executive Director in TRE.

42. In addition, on one occasion in Ms. Ward's presence, Mr. Straneva participated in an offensive conversation with a male client about pole dancing and exotic dancing on a chaise lounge.

43. Despite being subjected to a hostile work environment, Ms. Ward excelled at EY. In recognition of her success, in 2014 EY named Ms. Ward the Head of Quality for TAS and TRE, as well as the Co-Head of the Real Estate Capital Markets ("RECM") team within TAS and TRE.

44. In 2015, Ms. Ward was promoted to Partner (the only woman Partner in TRE at the time – now there are once again no women Partners in TRE) after she closed a deal with Life Storage that resulted in an approximately \$4,500,000 fee being paid to EY.

45. Also in 2015, Ms. Ward was conferred the prestigious Chairman Ovation Award.

## **II. MS. WARD IS SUBJECTED TO DISCRIMINATORY PAY PRACTICES**

46. Despite the fact that she was promoted to Partner, Ms. Ward was paid substantially less than her male peers.

47. Indeed, Ms. Ward was told by an EY executive that she earned almost \$400,000 less than her similarly situated male peers, and hundreds of thousands of dollars less than the average Partner (of course, the average Partner is a man).

48. Although Ms. Ward does not yet have precise data for U.S. Partners, EY's recent UK "pay gap" disclosures demonstrate that women Partners at EY are paid substantially less than their male peers. See <https://www.bloomberg.com/news/articles/2018-03-08/deloitte-pwc-and-ey-cave-to-pressure-on-u-k-gender-pay-gap>.

### III. MS. WARD COMPLAINS REPEATEDLY ABOUT DISCRIMINATION AND IS MOVED INTO THE INVESTMENT BANKING GROUP

49. Throughout 2014 and 2015, Ms. Ward made various complaints to members of EY's senior management about unlawful discriminatory conduct.

50. By way of example only, Ms. Ward made numerous complaints to Gary Koster, who was then the Head of TRE, about the sexually hostile work environment and gender discrimination that she experienced at EY.

51. Ms. Ward complained to Mr. Koster about Mr. McNamara's use of sexually harassing language (e.g., his references to Ms. Ward's "nice ass" and "great, round boobs," as well as his use of the term "douchebag").

52. Ms. Ward also complained about the constant discussions that were had regarding trips to strip clubs and pole dancing, and about the fact that there were no women partners at the time in TRE.

53. While many of Ms. Ward's complaints to Mr. Koster were verbal, many were in writing, including:

- A July 17, 2014 email in which Ms. Ward complained about being undermined by Mr. McNamara at a conference, at which Ms. Ward was supposed to take a leadership role, and being "relegated to 'one of the gals at the back who put this together."
- A July 2014 letter in which Ms. Ward states, *inter alia*, "Mike [McNamara] needs to modify his behavior towards me[.] [I]t is very unsettling." Ms. Ward goes on to list two dozen inappropriate behaviors exhibited by Mr. McNamara, including, *inter alia*,
  - Referring to Ms. Ward as one of the "gals."
  - "Hazing! Brendan [Sparrough, a Senior Vice President] is in a hard spot, Fraternity like situation [.] Bad language, drinking, strip clubs. This all makes me feel very uncomfortable." (emphasis added)

- **“Language like ‘Douche bag’ on the phone in front of myself, women partners and female analysts is totally inappropriate.”** (emphasis added)
- A July 24, 2014 email in which Ms. Ward complained about the fact that she was forced to do her job with “both hands tied behind [her] back” because she was given no resources and Mr. McNamara was constantly undermining her work and stealing credit for her successes.
  - Ms. Ward wrote in this email, “I believe you when you tell me and the group that diversity matters and that you want female partners in this firm,” making clear her belief that she had “both hands tied behind [her] back” at EY because she is a woman.
- A September 21, 2014 email in which Ms. Ward reiterated her complaints about Mr. McNamara, and the fact that she had to bow out of various meetings, conferences and business opportunities, as well as give up prospective clients, in deference to him.

54. Ms. Ward’s complaints continued throughout 2015, and included an email on April 6, 2015 in which Ms. Ward states again that Mr. McNamara, Mr. Kalocsay and Mr. Sparrough are “belittling, badgering and berating” her and are “colluding” to undermine her reputation and leadership. The complaints are far too numerous to document herein.

55. Despite Ms. Ward’s complaints, no action was taken to actually remedy this discrimination and harassment.

56. Instead, in June 2015, in retaliation for her complaints, Ms. Ward and her team were moved from TRE to the EYCA group.

57. The decision to move Ms. Ward to EYCA was obviously made in retaliation for Ms. Ward’s complaints about the discrimination, sexual harassment and gender-motivated bullying she experienced in TRE.

58. EY removed Ms. Ward from TRE in the hopes of silencing her.

59. In fact, when Ms. Ward left TRE, she was told by Principal Troy Jones, **“there is an issue here because you are a woman,”** and **“women do not succeed here [at EY].”**

60. Mr. Jones also told her that because of her complaints she would not get any referrals for business or assistance when she moved to EYCA.

61. Indeed, when Mr. McNamara was terminated in October 2015, Ms. Ward was blamed by Mr. Straneva, who angrily told Ms. Ward, “**you got my guy fired!**”<sup>1</sup>

62. James Carter, the Head of EYCA, also informed Ms. Ward, in writing, that Mr. Koster “**seem[ed] to be worried the faucet will be shut off,**” with respect to providing Ms. Ward necessary assistance and support.

63. Ms. Ward was also warned by others, including Partner Thomas Brown, who warned her to “be careful” with her complaints because “you [Ms. Ward] don’t want to be perceived as **bitchy.**”

#### **IV. MS. WARD CONTINUES TO COMPLAIN ABOUT DISCRIMINATION AND OTHER UNLAWFUL CONDUCT**

64. When Ms. Ward was moved to EYCA (where she was the only woman Partner out of 19 in the group – now there are none), she found that not only was she not getting any referrals or assistance, but also that TRE (led by Mr. Koster and Mr. Straneva) was continuing to run her business in direct competition with what she was supposed to be doing in EYCA.

65. In other words, EY moved Ms. Ward to EYCA, ostensibly to run her RECM business, but provided her with zero support, and instead provided support to men in TRE to run Ms. Ward’s RECM business without her and in competition with her.

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<sup>1</sup> Mr. McNamara’s termination was inevitable, and certainly not in response to Ms. Ward’s complaints of sexual harassment and discrimination. Indeed, EY was well aware of Mr. McNamara’s inappropriate (and often alcohol fueled) conduct **for years**, but did nothing. Moreover, EY has been on notice of Mr. Straneva’s and Mr. Kalocsay’s inappropriate discriminatory behavior, as well as all of the discriminatory and retaliatory conduct described herein. Yet, to Ms. Ward’s knowledge, not one person has been reprimanded in connection with this conduct.

66. In its zeal to ensure that Ms. Ward's business would fail after she made complaints of discrimination, EY looked the other way while the men in TRE violated securities laws and regulations in competing for Ms. Ward's business.

67. On November 22, 2015, shortly after she joined EYCA, Ms. Ward sent an email to Steven Payne, the Americans Deputy Leader of TAS. In this email, Ms. Ward complained about numerous unlawful actions of discrimination, as well as violations of securities laws and regulations, including, among many others, that:

- “TRE Leadership (Gary Koster, Mike Straneva and Joe Rubin) began a competing business when they lost my team to EYCA in June. Charlie Kalocsay has been appointed as my replacement within TRE to lead contingent fee business. He does not have the appropriate credentials or experiences and lacks supervision.”
- Mr. Koster began hiring multiple broker and investment professionals into TRE right after Ms. Ward was moved “in order to replicate [her] team.”
- Mr. Kalocsay, the man who replaced Ms. Ward following her removal from TRE after her complaints, had led only one brokerage transaction, while she had led hundreds of complex M&A and brokerage deals totaling \$30+ billion.
- TRE engaged in many “**illegal securities solicitation[s]**,” including in connection with a pitch to Twin Tiers (“no series 24 supervision over last 2.5 years; some basic licensure received 8 months ago, after [the] pitch”).
- TRE was engaged in “**illegal brokerage solicitation**,” including, but not limited to, a pitch to Twin Tiers (“no licensed broker to pitch or at any time to cover all states”) as well as RLJ and Nestle.
- Unlicensed Partners were making false statements; specifically, “Gary Koster, Mike Straneva and Joe Rubin (with no FINRA or brokerage licenses) [were] perpetuating false statements,” including that “REITs are not securities.” Mr. Straneva continuously made solicitations for equity, debt and M&A transactions without federal or state licenses.
- EY **intentionally provided bad advice** to a client in order to execute the client's transaction within TRE rather than EYCA (this also resulted in a **false valuation being provided to the client** that was clearly incorrect).

- Mr. Straneva’s discussions about “pole dancing.”

68. Over the course of the following year, Ms. Ward continued to complain about discriminatory conduct and violations of securities laws and regulations, including attempts at insider trading.<sup>2</sup> She made these complaints to, *inter alia*: (i) Mr. Koster; (ii) Mr. Carter; and (iii) Scott Rivello, a Partner and the US Leader for Valuation and Business Modeling, among others. The backlash that Ms. Ward received from these complaints was substantial.

- When Mr. Koster learned that Ms. Ward was complaining about the fact that he had essentially rebuilt her business to compete with her, he told Ms. Ward to “be careful” because she was “**being perceived as a bitch**” and needed to “win the hearts and minds” of the TRE Partners (men), Mr. Kalocsay and Mr. Sparrough.
- When Scott Rivello, a Partner and the US Leader for Valuation and Business Modeling, learned of Ms. Ward’s complaints, he told her that she was being “too hard” (a gender-biased term that would not have been used to describe a man) on Mr. Kalocsay. When Ms. Ward responded by reminding Mr. Rivello that Mr. Kalocsay was “breaking the law,” Mr. Rivello called Mr. Carter, who told Ms. Ward to “lighten up, get along and don’t ruffle any feathers.” Mr. Carter would not have told one of Ms. Ward’s male peers to “lighten up” and “get along,” nor would he have instructed a male peer not to “ruffle feathers.” Nothing effective was done about breaking Federal Securities laws and State Real Estate laws of soliciting without licenses, transacting business without a broker in charge, etc.
- For his part, while Mr. Payne initially told Ms. Ward that TRE needed to be cleaned from top to bottom, he promptly stepped out of the picture and ultimately told Ms. Ward that it was her responsibility to “win over” Mr. Kalocsay and Mr. Sparrough, whom leadership encouraged to act independently.

69. On a few occasions, William Casey, the TAS Americas Vice Chair, proposed certain procedures to facilitate collaboration between TRE and EYCA. For example, in January 2016, Mr. Casey proposed “collaboration protocols,” ostensibly to help prevent violations of

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<sup>2</sup> In one email, TRE Principal Steve Rado asked Ms. Ward to send him private valuations regarding a transaction on which EY was working so that he could provide the information to a public company, Sovran.

securities laws and regulations. However, these “protocols” were never followed and TRE’s unlawful conduct continued unabated and over Ms. Ward’s protests.

70. In July 2016, Ms. Ward notified Mr. Carter about continuing issues with Mr. Kalocsay, and forwarded Mr. Carter an email that she sent to Mr. Kalocsay addressing those issues.

71. Mr. Carter responded (in an email) by saying that: (i) Ms. Ward’s message was “too strong on [her] role and [her] power;” (ii) Ms. Ward needed to “win [Mr. Kalocsay] over;” and (iii) Ms. Ward’s “tone” was inappropriate. Mr. Carter never would have critiqued a male Partner in the same way.

72. When Ms. Ward followed up with a phone call and explicitly complained that TRE’s conduct (and Mr. Carter’s response to her concerns) constituted gender discrimination, Mr. Carter warned: **“Don’t push that rock up the hill, it will roll back on you and crush you.”**

73. Similarly, in September 2016, Mr. Carter responded to one of Ms. Ward’s concerns by saying, in an email, **“we need to avoid crying wolf”** and making **“ticky-tack”** complaints. (emphasis added) Again, this would never have been said to a male Partner.

74. Frustrated with EY’s unwillingness to address the blatant retaliation to which Ms. Ward was subjected following her complaints, Ms. Ward escalated her complaints to Kathryn Tunstall, a member of the TAS “People Team.”

75. Ms. Ward described all of the aforementioned discriminatory and retaliatory treatment, and specifically told Ms. Tunstall that she believed that she was being subjected to disparate treatment “because [she] [is] a woman.” Ms. Tunstall took no remedial action.

76. In October 2016, Ms. Ward again complained about being undermined by the men in TRE, and the discriminatory decisions and conduct that were preventing her from doing her job. Cognizant of Mr. Carter's prior admonitions not to "cry wolf," Ms. Ward wrote a very succinct email about certain conduct engaged in by Mr. Kalocsay. Mr. Carter responded, "[s]o when you have a moment edit this [Ms. Ward's email] in a way that you would care if I sent to [TRE Partners] . . . **Try to write it such that you are not complaining. Understand?**" (emphasis added)<sup>3</sup>

77. Undeterred, Ms. Ward escalated the aforementioned issues to Mr. Casey (not for the first time). Ms. Ward specifically told Mr. Casey that she suspected gender discrimination to be the motivation behind this conduct. Mr. Casey responded by telling Ms. Ward that she had "**pulled the tail of the lion.**" In January 2017, Mr. Casey did again direct TRE to work collaboratively with Ms. Ward, but was once again ignored and did nothing to actually enforce this directive.

78. Indeed, men in TRE, including Mr. Kalocsay, Mr. Tress and Mr. Sparrough, regularly bypassed Ms. Ward, who was ostensibly the business leader of RECM, in order to do business without Ms. Ward and in direct competition and against the written directives of Mr. Casey. On one such occasion TRE was able to transact on a sale of a hotel in NY from a REIT to a Chinese investor, capturing \$1.2 million of fees that should have accrued to the benefit of Ms. Ward's P&L. Mr. Straneva told Ms. Ward in writing that her "help was not welcome" and that this deal was "fully baked and didn't need her at all." Even though just weeks previously Mr. Casey directed TRE to bring all real estate transactions under Ms. Ward.

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<sup>3</sup> The evidence that EY intentionally undermined Ms. Ward and put up insurmountable barriers to her effective performance is myriad. Only select examples are referenced herein to provide some information about Ms. Ward's complaints and EY's responses to these complaints.

**V. MS. WARD IS TERMINATED BECAUSE SHE IS A WOMAN AND IN RETALIATION FOR HER COMPLAINTS OF DISCRIMINATION AND OTHER UNLAWFUL CONDUCT**

79. Throughout 2017, Ms. Ward continued to be subjected to various forms of discriminatory and retaliatory disparate treatment in addition to that described above.

80. Among other things, Ms. Ward was often dropped off of email chains, disinvited to meetings, and experienced a startling lack of inclusiveness from men that lead departments in EY.

81. For example, Partner Edwin Hendricks, TAS's Southeast Real Estate, Hospitality and Construction Leader regularly dropped Ms. Ward off of email chains and disinvited her to client meetings. Mr. Hendricks instead included men such as Corporate Real Estate Principal Doug Gottschalk, who was hired into TRE in 2017 to compete with Ms. Ward's brokerage business, which was not at all in the best interest of EY or its clients.

82. At times Mr. Straneva refused to even speak to Ms. Ward and instead communicated only with her male subordinate.

83. Despite the fact that EY's Family Office practice should have been an important source of referrals to Ms. Ward's team (the clients of the Family Office Practice had the capital to invest in Ms. Ward's transactions), Partner Robert Stover, Americas Family Office Leader, offered little to no referrals or support to Ms. Ward.

84. Partner and Global REIT Sector Leader Mark Kaspar purposely excluded Ms. Ward from leading discussions in connection with an upcoming CFO Conference, even though she was a much sought after speaker and rated one of the highest ranked speakers year after year at the event.

85. Not surprisingly, given the above-described discrimination and retaliation to which Ms. Ward was subjected, it was impossible for her to meet her 2017 revenue targets.

86. In addition to all of the other effort she put in to build a new book of business from scratch, Mr. Carter placed uniquely onerous requirements onto Ms. Ward in order to attain approval to work on a piece of business, such as 60-page compliance memos with multiple addendums and layers of extra approval.

87. None of her male peers were subjected to this level of scrutiny and extra labor to commence a transaction. Instead, they were permitted to flout securities laws.

88. Nevertheless, for 2018 Ms. Ward was given a \$3,250,000 revenue target. This target was higher than that given to many of her male peers who had bigger staffs and who were actually being supported by EY (and not undermined to the point that success was impossible to achieve).

89. Simply put, Ms. Ward – the only woman partner in EYCA – was being set up to fail in retaliation for her complaints of discrimination and violations of securities laws.

90. By January 2018, it was clear that EY's efforts to ensure that Ms. Ward would not meet her numbers were again succeeding.

91. Mr. Carter advised Ms. Ward in January 2018 that it was possible that she would be put on a performance improvement plan at the close of the 2018 FY.<sup>4</sup>

92. Shortly after the close of the 2018 FY, in July 2018, Ms. Ward facilitated a transaction between ProMedica and HCR ManorCare that resulted in a \$5,000,000 fee paid to EY. Jeff McMahon, a Vice President in the US Health Care Investment Banking group, lauded

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<sup>4</sup> Ms. Ward was never put on a performance improvement plan, as it would have been impossible for EY to identify any improper behavior on her part, and providing her with specific goals and then obstructing Ms. Ward's ability to meet them would only have highlighted the lack of support she was receiving in comparison to her male peers.

Ms. Ward's work on the transaction. Specifically, he told Mr. Carter that "Karen Ward was instrumental in providing [ ] advice to the client – without her guidance and intellectual horsepower, we would have been ill equipped to provide the quality advice the client needed." Mr. McMahon also told Mr. Casey that "Karen Ward was instrumental . . . [and] also provided critical guidance and expertise on the [ ] deal."

93. Nevertheless, despite the fact that the fee on this deal alone was far greater than her revenue targets, on August 14, 2018, Ms. Ward was informed that she would be terminated effective October 31, 2018.

94. Ms. Ward was told that her RECM business was being eliminated because it was not profitable. However, this purported justification for her termination is clearly pretextual.

95. First, Ms. Ward was profitable despite the discrimination and retaliation to which she was subjected. In the last year of her employment she helped book \$6,000,000 in fees for EYCA. Overall, she brought in over \$12,000,000 in fees for EYCA. In addition, she referred business to other groups in EY that resulted in approximately \$37,000,000 in fees being paid to EY. Thus, in only five years, Ms. Ward was responsible for approximately \$50,000,000 in fees for EY.

96. Second, the RECM business is not being exited. It will continue to be run by male leadership in TRE as it has been since Ms. Ward was removed from TRE in retaliation for her complaints and essentially cut out of any meaningful role in its operation.