

**EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
LOS ANGELES DISTRICT OFFICE**

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DEBORAH DUGAN, :
Claimant, : **SUPPLEMENTAL CHARGE OF**
v. : **DISCRIMINATION**
: :
NATIONAL ACADEMY OF RECORDING ARTS
AND SCIENCES, :
: :
Respondent. :
-----X

1. On January 21, 2020, Claimant Deborah Dugan, the President and Chief Executive Officer of the National Academy of Recording Arts and Sciences (the “Academy”), filed a Charge of Discrimination and Retaliation with the Equal Employment Opportunity Commission (“EEOC”) (the “Charge”) number 480-2020-01753. Ms. Dugan’s Charge is attached as Exhibit 1.

2. Since the time Ms. Dugan filed the Charge, the Academy has subjected her to repeated, ongoing and egregious retaliation.

3. First, less than two weeks after the Charge was filed, the Academy sued Ms. Dugan, asserting outrageous, false and frivolous allegations. The suit was signed by Anthony Oncidi, Esq., an attorney at Proskauer Rose, LLP (“Proskauer”), one of the very firms that Ms. Dugan correctly asserted was “in bed” with the Academy. As described in detail herein, Proskauer has a despicable history of bringing malicious and retaliatory suits against women and other minorities who dare to speak out against sexual harassment and discrimination in the workplace. The suit is completely without merit.

4. Then, on March 2, 2020, the Academy terminated Ms. Dugan’s employment without cause, and immediately leaked that information to the press, along with defamatory and

retaliatory quotes. The decision to terminate Ms. Dugan’s employment was a blatant act of retaliation. Worse, it is a message to women and minorities of all walks of life that the Academy is more interested in protecting itself than remedying sexual harassment, discrimination and voting irregularities, and that anyone who dares to stand against the Academy’s unlawful conduct will be harshly punished. In Proskauer, the Academy found an obviously conflicted law firm that was willing to be complicit in the Academy’s unlawful and shameful conduct.

I. BACKGROUND

5. Ms. Dugan’s January 21, 2020 Charge laid bare, in full detail, how the Academy is run as a boys’ club rife with sexual harassment (including an allegation of rape), gender and race discrimination (including discrimination against multiple women and minorities), self-dealing, conflicts of interest and award nomination voting irregularities, among other misogynistic misconduct.

6. Ms. Dugan’s Charge also detailed the egregious retaliation to which she already had been subjected after making protected complaints of discrimination.

7. First, on January 16, 2020, just weeks after Ms. Dugan made a formal complaint with Human Resources (“HR”) the Academy stripped her of all of her responsibilities and put her on an administrative leave. The Academy’s false explanations for this decision have been all over the map. Most commonly, the Academy has claimed that Ms. Dugan was put on leave pending an investigation into a complaint made by her predecessor’s assistant, Claudine Little.

8. This explanation is ridiculous. Ms. Little’s complaint – which, as laid out in the Charge, was encouraged and seized upon by the Executive Committee in an effort to manufacture a basis for Ms. Dugan’s ouster – was made prior to Ms. Dugan’s HR complaint. Ms. Dugan was not put on leave when Ms. Little complained. Rather, Ms. Dugan was only put

on leave after she made her HR complaint, refused to withdraw it and declined to accept the Academy's multi-million dollar offer to settle her claims and walk away. Moreover, Ms. Dugan's male predecessor, Neil Portnow, was not put on an administrative leave even after he was accused of raping a young female recording artist and 30,000 women called for his resignation in connection with a misogynistic comment that he made about female recording artists.

9. It has been more than two months since Ms. Little made her complaint, which amounts to nothing more than a claim that Ms. Dugan was possibly rude to her. The Academy is supposedly *still* “investigating” Ms. Little’s complaint – an investigation that should have taken a week at most. Moreover, even though the Academy claims to be engaged in an investigation of Ms. Little’s complaint, Ms. Dugan and other pertinent witnesses have not been contacted by any investigator in connection with that complaint. On top of that, Harvey Mason, the Chair of the Academy’s Board and the Interim President and CEO, has given an interview in which he muses on the possibility of serving as Ms. Dugan’s permanent replacement (he said, “I’d be honored”).

10. Simply put, Ms. Dugan was not put on leave pending any investigation because Ms. Little complained. Ms. Dugan was put on leave because she engaged in protected activity and turned down the Academy’s offer of settlement. The Academy wanted Ms. Dugan out, but knew that it has no cause to terminate her.

11. **Second**, despite promising Ms. Dugan that it would make no substantive statement regarding the decision to place her on leave, the Academy immediately leaked news of the decision to the press. Along with the leak came a misleading statement from the Academy, which claimed that Ms. Dugan had been placed on administrative leave “in light of concerns raised to the Recording Academy Board of trustees, including a formal allegation of misconduct

by a senior female member of the Recording Academy team.” In addition to falsely claiming that Ms. Little was a “senior” member of the Academy team, the Academy also leaked the fact that *two* investigations had been launched, purposefully implying that there were multiple investigations into Ms. Dugan’s supposed misconduct when, in fact, one of those “investigations” actually related to the issues raised in Ms. Dugan’s HR complaint. The Academy’s statement and leak was designed to ensure that Ms. Dugan would never work again. Indeed, this technique has repeatedly been employed by the Academy’s lawyers to punish and ruin the reputations of women who dare to stand up against the “boys’ club.”

12. **Third**, on January 20, 2020, the day before Ms. Dugan filed her Charge, and with the knowledge that she was about to do so, Mr. Mason penned and published a false, retaliatory and defamatory letter designed to “get out in front” of Ms. Dugan’s Charge and further destroy her reputation. The January 20, 2020 letter, which was given to the press to further damage Ms. Dugan, essentially accuses Ms. Dugan of manufacturing legal claims and attempting to extort the Academy. As laid out in Ms. Dugan’s Charge, these claims are false.

II. THE ACADEMY’S BOGUS “INVESTIGATION” INTO MS. DUGAN’S CLAIMS

13. The Academy’s conduct since the filing of the Charge demonstrates that it never had any intention of fairly investigating Ms. Dugan’s claims.

14. The day after Ms. Dugan filed her Charge, her counsel received a message from Katherine J. Edwards, the supposedly “independent investigator” retained by the Academy to “investigate” Ms. Dugan’s HR complaint. Ms. Edwards, however, is far from independent.

15. Ms. Edwards was handpicked and recommended to the Academy by Proskauer.

16. Proskauer was actually identified in Ms. Dugan’s Charge as one of the law firms that is “in bed” with the Academy.

17. Indeed, Proskauer partner Chuck Ortner is National Legal Counsel to the Academy. Mr. Ortner is paid hundreds of thousands of dollars a year by the Academy and, according to media reports, is one of very few individuals that are said to “largely run” the Academy and Grammys leadership. Mr. Ortner and Proskauer are also responsible for the Academy’s secretive and convoluted governance structure – the same structure that allows for the self-dealing and conflicts of interest laid out in the Charge.

18. Mr. Ortner is also on the Board of the Academy’s Museum, and Proskauer is plainly conflicted given the millions that it has received and continues to receive from the Academy.

19. One of the very things that Ms. Dugan complained about during her tenure was the over-expenditure of the Academy’s funds on law firms and lawyers, including Proskauer and Mr. Ortner.

20. In sum, Proskauer selected the investigator who is supposed to be investigating, in part, Proskauer. A greater conflict of interest can hardly be imagined.

21. And, yet, that is not even the most egregious conflict of interest at issue in connection with Ms. Edwards’ “investigation.” Indeed, at the very same time that Proskauer selected Ms. Edwards to “investigate” Ms. Dugan’s complaints, Proskauer was representing the Academy against Ms. Dugan. So, outrageously, Proskauer selected Ms. Edwards – who is supposed to be conducting an “independent and impartial” investigation into Ms. Dugan’s claims – while at the same time defending the Academy in connection with Ms. Dugan’s claims.

22. As for Ms. Edwards herself, she has done approximately 1,000 investigations. According to Ms. Edwards, she is hired by the employer *every single time* she does an investigation. Ms. Edwards was unable to provide Ms. Dugan’s counsel with the number of

times that she has found for an employee – she claims not to track the results. Moreover, Ms. Edwards previously worked (at a mediation) with Proskauer Partner Mr. Oncidi, who currently represents the Academy against Ms. Dugan.

23. Ms. Edwards will not produce a copy of her retainer agreement with the Academy so that Ms. Dugan and her counsel can ascertain how much she is being paid for her “investigation.” It is telling that the Academy would approve the hiring of someone under such obviously conflicted circumstances.

24. Even putting aside the blatant conflicts described herein, it is not surprising that Ms. Dugan is skeptical of the Academy’s “investigator.” Indeed, Ms. Dugan is aware of at least five “independent investigations” conducted by the Academy. Every single one of these “independent investigations” concerned allegations of discrimination or sexual harassment. Every investigation resulted in a finding in favor of the Academy.

25. The Academy has tellingly refused Ms. Dugan’s request to jointly select an investigator or panel of investigators that will actually be impartial.

III. THE ACADEMY SUES MS. DUGAN

26. On January 29, 2020, Ms. Dugan sent a letter to the Executive Committee of the Board of the Academy. The letter, *inter alia*, requested that the Academy agree to voluntarily waive the requirement (in Ms. Dugan’s employment contract) that Ms. Dugan arbitrate any claims she has with the Academy. Ms. Dugan’s request was based on two concerns – transparency and accountability.

27. As for transparency, Ms. Dugan wanted to ensure that her claims were heard in a public forum, not behind closed doors in secret arbitration proceedings.

28. As for accountability, it is no secret that forced arbitration presents a barrier to justice for victims of harassment, discrimination and other misconduct. Forced arbitration takes away a victim’s right to a trial by a jury of her peers, and, at the same time, provides protection for perpetrators of misconduct. This double-edged sword perpetuates misconduct in the workplace and allows corporate entities – which are universally the “client” of the arbitrator in the employment context – to sweep unlawful conduct under the rug.

29. Many companies are voluntarily doing away with forced arbitration in a variety of circumstances. These measures are being taken simply in recognition that forced arbitration is immoral, contrary to all notions of justice and counterproductive to remedying discriminatory misconduct. Indeed, when Microsoft eliminated forced arbitration for sexual harassment victims, it issued the following statement: “The silencing of people’s voices has clearly had an impact in perpetuating sexual harassment.”

30. The media has also reported on the damaging impact that forced arbitration has on victims of unlawful workplace conduct. The New York Times, in “In Arbitration, a Privatization of the Judicial System” by Jessica Silver-Greenberg and Michael Corkery, accurately reported that in arbitration “rules tend to favor businesses, and judges and juries have been replaced by arbitrators who commonly consider the companies their clients.” In the same article, quoting law professor Myriam Gilles, the New York Times reported that because of the proliferation of forced arbitration, “Americans are actively being deprived of their rights.”

31. Rather than responding to Ms. Dugan’s letter, on February 3, 2020, the Academy – in its most egregious act of retaliation to date – sued Ms. Dugan by filing a Statement of Claim against her with the American Arbitration Association (the “AAA Complaint”). The AAA Complaint alleges that Ms. Dugan breached her employment contract and fiduciary duties, and

improperly accessed Academy information. To be clear, the AAA Complaint is completely and utterly meritless and was filed for the sole purpose of further retaliating against Ms. Dugan.

32. The AAA Complaint is a farce and its filing was clearly orchestrated by Proskauer and Mr. Mason with the hope that Ms. Dugan would feel threatened and intimidated and decide to drop her claims against the Academy.

33. Indeed, the *very day after the AAA Complaint was filed*, Mr. Mason sent Ms. Dugan a letter in which he agreed to lift the veil of confidentiality over any arbitration proceedings. The threat was clear: if Ms. Dugan would not agree to stay silent, the Academy would further defame and disparage her and destroy her reputation with false and malicious lies. Ms. Dugan will not succumb to such threats and has agreed to have a public arbitration.

IV. RETALIATORY LAWSUITS ARE PROSKAUER'S MODUS OPERANDI

34. The AAA Complaint is signed by Proskauer, which represents the Academy in connection with its suit against Ms. Dugan. The fact that Proskauer is actually participating in the retaliation committed against Ms. Dugan only further underscores how wildly inappropriate it is that Proskauer selected the “independent investigator.”

35. Unfortunately, Ms. Dugan is far from the first victim who has been subjected to retaliatory threats made or lawsuits filed by Proskauer. Indeed, retaliation is Proskauer’s *modus operandi*, including with respect to its handling of internal complaints of discrimination.

36. By way of example only, in 2017 Proskauer Partner Connie Bertram filed a gender discrimination lawsuit alleging that she was retaliated against after making internal complaints of discrimination. Ms. Bertram also alleged that Proskauer threatened to fire her after the firm learned that she had retained counsel in connection with her discrimination claims.

Moreover, within weeks of the resolution of Ms. Bertram's case, she left Proskauer for Polsinelli P.C., indicating that her departure from Proskauer was likely a term of her settlement.

37. Proskauer also frequently facilitates retaliatory litigation. Below are nine examples in which, on behalf of its clients, Proskauer has launched retaliatory preemptive litigation and/or counterclaims against employees.

38. This is a troubling practice, to say the least, and only serves to stifle public discourse about unlawful discrimination and harassment and prevents victims from coming forward for fear of being sued.

39. Put simply, Proskauer has apparently decided, on a systematic basis, that it would rather attack victims and protect corporations and perpetrators than work towards an end to discrimination and harassment in the workplace. Examples include:

- *Keller v. Loews Corp.*, 69 A.D.3d 451, 451 (1st Dep't 2010): Proskauer client asserted a counterclaim for a purported breach of fiduciary duty against a religious disability discrimination plaintiff.
- *Campbell v. Chadbourne & Parke LLP*, No. 16 Civ. 6832 (JPO), 2017 WL 2589389, at *1 (S.D.N.Y. June 14, 2017): Proskauer client asserted a counterclaim for a purported breach of fiduciary duty against a gender discrimination plaintiff.
- *Tapestry, Inc. v. Gibb*, Index No. 653042/2018 (N.Y. Sup. Ct.): Within three weeks after a multi-year employee of Stuart Weitzman filed a sexual harassment lawsuit (represented by Wigdor LLP), the company – represented by Proskauer – responded by firing him without notice, just before substantial equity grants were set to vest and knowing that our client had two young children and had just taken on a mortgage. Proskauer then filed suit against our client for a purported breach of contract and sought to claw back *all* the compensation it had paid to him as an employee even though there were no alleged damages. In short, our client previously founded and ran with his brother a small company called Tidal that sells \$25 flip-flops and Proskauer claimed that his extremely limited ongoing relationship with Tidal was work for a “competitor,” even though Stuart Weitzman makes high-end women’s shoes typically selling for in excess of \$500.

- *McLaughlin v. Macquarie Capital (USA) Inc.*, Index. No. 17 Civ. 9023 (RA) (S.D.N.Y.): Proskauer client responded to a discrimination lawsuit by filing a declaratory judgment action against the plaintiff in AAA (seeking a determination that it had not discriminated against the plaintiff).
- *Brown Jordan Int'l, Inc. v. Carmicle*, No. 14-CV-60629, 2015 WL 11660246, at *4 (S.D. Fla. June 3, 2015): Proskauer client commenced litigation against a former employee for purportedly making unauthorized disclosures of confidential information.
- *U.S. ex rel. Cieszynsky v. Lifewatch Servs., Inc.*, No. 13-CV-4052 (SIS), 2016 WL 2771798, at *1 (N.D. Ill. May 13, 2016): Proskauer client filed a counterclaim against a whistleblower plaintiff for purportedly misappropriating its confidential information by disclosing it to the government in connection with his whistleblowing activities.
- *Miller v. Blattner*, 676 F. Supp. 2d 485, 489 (E.D. La. 2009): Proskauer client asserted counterclaims against a plaintiff who alleged he was not paid a portion of his bonus.
- *Robert Reiser & Co. v. Scriven*, 130 F. Supp. 3d 488, 491 (D. Mass. 2015): Proskauer client filed a preemptive action against an employee who asserted claims for retaliation and violations of wage and hour laws.
- *Basket v. Autonomous Research LLP, et al.*, 1:17 Civ. 9237 (VSB) (S.D.N.Y.): Proskauer client filed motion for sanctions against a gender discrimination and SOX whistleblower plaintiff for utilizing company documents in opposition to a motion for summary judgment (the documents demonstrated that the motion was meritless) because it claimed, erroneously, that she was not authorized to access those particular company documents.

40. Given the above, it is hardly surprising that the Academy, which is being advised by Proskauer, has been egregiously and openly retaliating against Ms. Dugan since she raised her concerns and complained to HR.

V. THE AAA COMPLAINT IS COMPLETELY FRIVOLOUS

41. When the Academy's 97 paragraph AAA Complaint is stripped of hyperbole and *ad hominem* attacks, it essentially alleges the following falsehoods:

- Upon her arrival to the Academy, Ms. Dugan made little effort to understand the Academy's culture;
 - Ms. Dugan hired consultants without Board approval;
 - Ms. Dugan pushed forward with an office renovation without approval;
 - Ms. Dugan did not speak well at one particular televised event;
 - Ms. Dugan failed to accept Board criticisms and mandates; and
 - Ms. Dugan accessed and disclosed "confidential" information, including to the media.¹
42. None of these allegations are true.

A. ***Allegation 1: upon her arrival to the Academy, Ms. Dugan made little effort to understand the Academy's culture***

43. The claim that Ms. Dugan made little effort to understand the Academy's culture is preposterous. Immediately upon her arrival, Ms. Dugan made it clear that she wanted to listen and learn. She commissioned two separate surveys for the purpose of understanding the Academy's culture. One was literally a "cultural survey" of the entire organization, and the other was a survey of the Board. During the Academy's November 2019 Board meeting, Ms. Dugan gave a large presentation that included the results of these surveys and plans for the future. The very first slide of the presentation was entitled "Listening." The Board meeting presentation (which also addressed the Academy's lack of diversity and inclusion) is attached as Exhibit 2 in redacted form.

44. In addition to the surveys, Ms. Dugan held focus groups with all levels of employees, as well as "deep dive" meetings with all departments and countless other meetings

¹ It also regurgitates the allegations made by Ms. Little. As explained in Ms. Dugan's Charge and herein, those allegations are false.

with the staff and Board's Executive Committee. Ms. Dugan also held "all staff" meetings, which, she was told, had never before been implemented.

45. Ms. Dugan sent out weekly media updates, as well as a monthly Board update. In addition, Ms. Dugan created the agenda for, and hosted and attended, all of the Executive Committee's monthly meetings (when she was not excluded). Ms. Dugan also met informally with members of the Board in order to better understand the culture and her role.

46. Ms. Dugan met with many, many members of the Academy and the music industry at large. She also had an "open door" policy and had frequent 1:1 conversations with Mr. Mason to ensure that she was on the right path.

47. The reality is that Ms. Dugan understood in detail and with nuance the culture of the Academy – both the good and the bad. Ms. Dugan at all times respected and promoted the good. The aspects of the "culture" of the Academy that she was profoundly concerned with and often offended by were the lack of diversity, the boys' club atmosphere, sexual harassment, conflicts of interest, self-dealing and voting irregularities. Unfortunately, the Academy's response to Ms. Dugan's efforts to reform these insidious aspects of the Academy's culture was to oust Ms. Dugan and subject her to ongoing, ruthless and relentless retaliation.

B. *Allegation 2: Ms. Dugan hired consultants without Board approval*

48. The AAA Complaint alleges that Ms. Dugan improperly hired two consultants without the Board's knowledge. As explained below, the allegation is false, as Ms. Dugan *did* keep the Executive Committee apprised of these consultant hires. However, it bears noting that Ms. Dugan was the *President and CEO of the entire company*. It was her responsibility and contractual right to make consultant hires just as any other CEO would.

49. The assertion that Ms. Dugan should not have been hiring consultants is, in itself, sexist. Mr. Mason and the Executive Committee would never have tried to control a male CEO in the same way in which they tried to control Ms. Dugan, much less sue a male CEO for doing his job.

50. The Academy's claim that the Board was unaware of the hiring of an HR consultant is particularly disingenuous, as that consultant was initially hired to assist in the termination of the long tenured head of HR. The Executive Committee was encouraging and fully apprised of that situation at all times.

51. Moreover, Ms. Dugan could not and did not hire consultants in a vacuum. Each time a consultant was used, Ms. Dugan received the approval of the Academy's Chief Financial Officer, Wayne Zahner. Mr. Zahner signed off on all of the consultant contracts and confirmed that the fees were within the Academy's budget.

52. The AAA Complaint also falsely accuses Ms. Dugan of hiring a Public Relations ("PR") firm to build her own brand. This allegation is false. The PR firm was hired for the benefit of the Academy, not Ms. Dugan.

53. The PR firm was brought in for a short time period to help the Academy promote its own image. By way of example only, the PR firm helped the Academy navigate the unpopular (among some Board members) decision made by Ms. Dugan's predecessor to give Dr. Dre an award despite his history of violence against women. Mr. Mason received the PR firm's report on this matter. He cannot now claim that he did not know about the work of the PR firm.

54. The PR firm also was able to secure Diddy in connection with the Academy's Clive Davis Award, and, among other things, held a Women's CEO Dinner that was attended by various high powered and important women CEOs. The purpose of the dinner was to improve

the reputation of the Academy and increase financial sponsorships and donations to help achieve its laudable mission. The PR firm was *not* hired to build Ms. Dugan's brand.

C. ***Allegation 3: Ms. Dugan pushed forward with an office renovation without approval***

55. As noted above, when Ms. Dugan joined the Academy, she conducted a cultural survey. The results of that survey, as well as conversations with artists and members of the staff, made clear that the Academy and its offices should be more modern, dynamic and reflective of the current music scene. Many said that the offices felt like a museum. The offices are a collection of outdated cubicles, and many employees wanted fewer silos/divisions and a more open workspace.

56. Ms. Dugan had numerous conversations with the Executive Committee and staff members about potentially modernizing the offices down the line, as it would make for a more positive culture. In a conversation with the Academy's facilities manager, Ms. Dugan suggested that he might want to walk through the offices with a designer/architect to determine whether there was a cheap and cost-efficient way to make small changes to modernize the offices and make them more environmentally friendly.

57. The facilities manager did so. Following the walkthrough, the facilities manager told Ms. Dugan that he and the designer/architect had some ideas for renovations. Ms. Dugan told him that they would begin to discuss it sometime after the Grammys show. That discussion never happened because Ms. Dugan was placed on leave on January 16, 2020.

58. No renovation plan was discussed, approved or implemented. Ms. Dugan was never even told what the renovation would look like, much less what it would cost. The accusation that she pushed for an expensive renovation is false.

D. *Allegation 4: Ms. Dugan did not speak well at one particular televised event*

59. The AAA Complaint takes an unsavory and gratuitous swipe at Ms. Dugan by attacking her for a purported mediocre speaking performance at the 2020 GRAMMY Awards nominations press conference in November 2019.

60. Unfortunately, as the Academy knows full well, Ms. Dugan's teleprompter was inaccessible / not working well during the press conference, and she made the best of a bad situation. This snafu was confirmed by Gayle King of CBS, who also was present. Ms. Dugan was not critiqued by anyone at the Academy for her performance. In fact, this entire issue was mentioned for the very first time in the AAA Complaint, a document that clearly attempts to concoct a false narrative concerning Ms. Dugan's performance as CEO.

61. It is telling that the Academy does not make any reference in the AAA Complaint of the many, many instances in which Ms. Dugan delivered superb and well received speeches and interviews with the media. It also is telling that the Academy fails to mention that key performance indicators show that the 2019 nominations press conference performed extremely well versus the 2018 performance.

E. *Allegation 5: Ms. Dugan failed to accept Board criticisms and mandates*

62. The AAA Complaint accuses Ms. Dugan of failing to accept and follow Board criticisms and mandates. However, when read carefully, this allegation boils down to the fact that Mr. Mason and the Executive Committee were upset that Ms. Dugan attempted to do her job and achieve progress within the Academy.

63. First, the AAA Complaint presents the picture of an indignant and ineffective Ms. Dugan. The contemporaneous documents show precisely the opposite.

64. Following Ms. Dugan's presentation at the November Board meeting, many Board members and staff lauded her and the work she was doing for the Academy, including, *inter alia*, one Board member who wrote, on November 4, 2019, that the November Board meeting was "the best trustee meeting I've been a part of."

65. Then, on November 11, 2019, Ms. Dugan sent Mr. Mason an email in which she wrote:

Harvey—just wanted to put in front of you the year one goals that were presented to me joining the organization.-- DD

At the end of one year, the CEO will have:

1. successfully transitioned into the role in a manner that serves the best interests of the Academy, Board of Trustees, staff and members;
2. cultivated strong relationships with, and earned the respect and confidence of, external and internal stakeholders, including the Board of Trustees, staff, members, CBS, music industry partners, and other peers and affiliates;
3. completed an evaluation of the organizational structure and team;
4. begun to make any necessary changes to drive operational excellence and enhanced member service;
5. articulated a vision and begun a process to lay out both short- and long-term strategies that position the Academy for success in a rapidly changing environment.

66. Far from being critical of Ms. Dugan, Mr. Mason responded by saying: "**Thanks for sending. You are well on your way.**" This response demonstrates that the entire AAA Complaint and supposed basis for the Academy's suit against Ms. Dugan is fabricated.

67. The AAA Complaint claims that Ms. Dugan was unreceptive and combative in connection with meetings with the Executive Committee in late-November and early December 2019. Again, the contemporaneous documents prove that this claim is made up. Indeed,

following these meetings, Mr. Mason wrote to Ms. Dugan, *inter alia*, “Thank you for the productive meeting last week.”

68. The AAA Complaint also states that Mr. Mason made “suggestions” to Ms. Dugan in a December 9, 2019 email. This is false. Mr. Mason did not make suggestions. Rather, he levied “mandates” (his term) that seriously diminished Ms. Dugan’s role and prohibited her from doing her job.

69. Ironically, one of these “mandates” was that Ms. Dugan hire an HR consultant. However, rather than choosing this individual herself, Ms. Dugan was going to be required to choose from a list provided by the obviously-conflicted Proskauer. Moreover, in a very unusual reporting structure, the HR consultant was to report not only to Ms. Dugan, but also to the Chair of the Board. The Board later changed its mind and decided to choose the HR consultant itself.

70. The rest of the “mandates,” when considered collectively, essentially stripped Ms. Dugan of all ordinary CEO responsibility. In short, the Executive Committee explicitly prohibited Ms. Dugan from: (i) hiring and terminating employees, consultants or law firms; and (ii) assigning new initiatives or special projects to any staff member. The mandates – which were clearly designed to protect the men who run the Academy and insulate overpaid lawyers – were particularly inappropriate given the incredibly good job Ms. Dugan was doing at the time.

71. Indeed, on December 4, 2019, Ken Ehrlich (the producer of the Grammys) wrote to an artist, “***four months into the Great Deborah Experience and loving it.....she's everything you said.....and more!!!***”

72. The AAA Complaint claims that Ms. Dugan responded to Mr. Mason’s “mandates” by “lashing out.” While that might have been warranted, that is not what occurred. Ms. Dugan’s response called for appropriate collaboration, and included the following:

[Y]our email seeks to limit my ability to move our agenda forward and freezes key initiatives, many of which were discussed and received enthusiastic backing at the November Board meeting, including:

- Greater diversity among our staff, the Board, and our membership.
- Empowerment of women, especially in the wake of my predecessor's disturbing legacy.
- Renewing a culture of creativity without intrusive top-down control and siloed obstruction.
- Extending and highlighting the Academy's non-profit mission of service beyond the Grammy Awards.
- Greater efficiency in operations, consistent with our mission and status as a not-for-profit member organization, including a plan to streamline reporting lines, create a culture promoting a high level of impact and accountability, with an eye to elimination of bloated salaries, reducing excess professional costs, and much more.
- Restructuring management this spring to promote growth, focus and agility.
- Continuing the process of defining our values and having an inclusive formulation of a clear strategic plan and vision for the years to come.

73. Mr. Mason and the Executive Committee would not let Ms. Dugan – the Academy's first female CEO – actually perform the role she was hired to perform because she wanted to eradicate the boys' club aspects of the Academy and promote diversity and equality.

F. **Allegation 6: Ms. Dugan accessed and disclosed “confidential” information, including to the media**

74. The allegation that Ms. Dugan accessed and disclosed “confidential” information to the media is perhaps the most disingenuous and hypocritical of any of the Academy's allegations.

75. To be clear, the only information that Ms. Dugan ever accessed at the Academy was information that she received in connection with the performance of her ordinary job duties. Ms. Dugan did not access any information that she was unauthorized to access, nor did she steal or otherwise wrongfully obtain any information.

76. Moreover, the “confidential information” that the Academy claims Ms. Dugan disclosed is nothing more than the evidence that the Academy is run like a “boys’ club.”

77. The fact that the Academy is now suing Ms. Dugan for disclosing evidence of sexist and discriminatory behavior and male dominated corruption only provides further support for her claims.²

78. In addition, the Academy’s AAA Complaint completely misrepresents the sequence of events in an effort to trick the reader into believing that Ms. Dugan gratuitously disclosed information in bad faith to damage the Academy. Nothing could be further from the truth.

79. Until the time that she was put on leave, including in the days before she was put on leave, Ms. Dugan spoke about the Academy only on positive terms. She continued to promote the Academy and its missions and goals, and publicly support the entire staff and Board. Ms. Dugan wanted to keep all disputes “in house” and never intended for the media to be involved in covering her claims.

80. Even when Ms. Dugan was put on leave, she *still* did not disparage the Academy or make any negative public statements. The January 16, 2020 email from Mr. Mason notifying

² It also bears noting that the Academy does virtually nothing to protect the information that it now claims is “confidential.” Indeed, while Ms. Little was on a leave of absence, she had access to, and actually accessed, all of Ms. Dugan’s personal and business emails. The IT department claimed that Ms. Little’s access had been cut off, but it never actually was. Moreover, contrary to the claims in the AAA Complaint, Ms. Dugan never gave Ms. Little authorization to access Ms. Dugan’s personal email account. It was only because Ms. Little and the Academy’s IT department failed to correctly set up her access that she was able to access Ms. Dugan’s personal email account.

Ms. Dugan that she was being put on leave said, “the Recording Academy does not intend to provide any statement or comment regarding the status of your employment or leave of absence other than, if asked, to say that you have taken a leave of absence and/or that the Recording Academy will follow its usual policy of refusing to comment on private, personnel-related matters and issues.”

81. Unfortunately, Mr. Mason’s statement was a lie.

82. Indeed, just minutes later, the Board issued a statement to the press stating that Ms. Dugan had been “placed” on administrative leave “in light of concerns raised to the Recording Academy Board of trustees, including a formal allegation of misconduct by a senior female member of the Recording Academy team.” The Board also leaked the fact that *two* investigations had been launched, falsely implying that there were multiple investigations into Ms. Dugan’s alleged misconduct.

83. As a result of these leaks, many articles were published about Ms. Dugan’s supposed acts of misconduct, immediately destroying her reputation.

84. *Still* Ms. Dugan stayed quiet.

85. Indeed, it was not until another round of attacks were leaked to the media on January 20, 2020, that Ms. Dugan publicly uttered a single negative word about the Academy. Even then, Ms. Dugan spoke only the truth and did nothing more than expose the fact that the Academy is run like an unaccountable boys’ club. Now the Academy is suing her for doing this, which further confirms the truth of Ms. Dugan’s allegations.

86. As noted above, since Ms. Dugan filed her Charge, the Academy has done nothing but try to eviscerate her reputation and destroy her career. Even as recently as February 13, 2020, Mr. Mason was sending memos to the Board with additional attacks on Ms. Dugan.

87. Repeatedly, the only *specific* allegation made by Ms. Dugan that the Academy has denied is Ms. Dugan’s claim that the Grammy awards nomination process is rife with voting irregularities, including conflicts of interest and self-dealing. In furtherance of its denials, the Academy is trying to portray Ms. Dugan as a lone voice who is misrepresenting the facts. In truth, she is an accomplished leader who is amplifying many voices into one clear message: corruption at the Academy must come to an end.

88. However, one need not take Ms. Dugan’s word on this point. Ms. Dugan’s claims are verified by many contemporaneous documents, including emails from Board members, recording artists and Mr. Ehrlich.

89. By way of example, one Board member wrote to Ms. Dugan *and Mr. Mason*: “We need a solution to how we can eventually phase out the ‘Nomination Review’ [referring to the nomination review committees] (*or ‘Nomination Selection’ as I prefer to call it . . . I think we need to look at the ‘add ons’ that the Nomination review has the power to use. At the moment they can basically pick their own nominees. I don’t feel comfortable with how they are being used.*)”

90. Another Board member wrote to Ms. Dugan, “*I’m sure you read the Variety piece about the nom committees. I couldn’t agree more with their assessment of our system. It’s broken. We should admit it and fix it.*”

91. A female Jazz artist who sat on one of the review committees wrote to Ms. Dugan, “*I am a Grammy Award winning artist . . . there is one thing in the process that has conflicted me for a while and I want to share it with you. In the Best Jazz Vocal category I know for a fact that artists who have recordings up for awards in a given year, are still a part of the selecting committee for that year. I understand these folks must excuse themselves and*

leave the room when their recordings are up for voting, but minutes later they are back in the room with the same folks.”

92. Executive Committee and Board members writing to request that artists that they represent be selected to perform at the Grammys.

93. Finally, on October 24, 2019, Mr. Ehrlich, the Producer of the Grammys, sent an email to Ms. Dugan **and Mr. Mason** and outrageously attempted to use his position to influence nomination votes. Specifically, Mr. Ehrlich attempted to press the Academy into nominating a song by a particular superstar in order to increase his ability to convince the superstar to perform at the Grammys. The email reads, in part:

looking at the AMA nominations this morning, it's more about who's NOT there than who is....and [superstar] is definitely not gonna be happy.

minor representation at best.....sooo.

I think there's a case to be made to [superstar] that a performance of [song] from [album] on our show, **should it be nominated . . .** and that a blowout performance of that song, which IS a Grammy song, might . . .

So, should there be some discussion in a certain room at your meetings next week for Record, Album and Song, and if it involves making a choice between [one album] vs. [a second album], my thought from knowing [superstar] since [superstar] was a child, is that [superstar] might see the wisdom of a [] performance [of a song from the second album] . . . I'm jus sayin.

ken

(emphasis added). Mr. Mason responded, “**Gotcha. Thanks Ken.**”

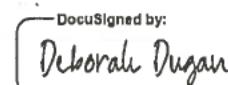
VI. THE ACADEMY SANDBAGS MS. DUGAN AND TERMINATES HER EMPLOYMENT

94. On February 20, 2020, the media reported that Ms. Dugan and the Academy had entered a mediation process in an effort to resolve her claims against the Academy.

95. Despite the fact that discussions were ongoing, on March 2, 2020, with no prior warning whatsoever, the Academy (with the assistance of their attorneys at Proskauer Rose) sandbagged Ms. Dugan and fired her. Ms. Dugan was falsely told that she was being fired for cause.

96. However, the real reason that Ms. Dugan has been terminated is clear: she was willing to stand up and fight against the Academy's boys' club environment, sexual harassment, gender and race discrimination, self-dealing, conflicts of interest and award nomination voting irregularities, among other misogynistic misconduct.

Exhibit 1

CHARGE OF DISCRIMINATION		AGENCY	CHARGE NUMBER
<small>This form is affected by the Privacy Act of 1974; see Privacy Act Statement on reverse before completing this form.</small>		<input checked="" type="checkbox"/> FEPA <input type="checkbox"/> EEOC	
California Department of Fair Employment and Housing <small>(State or Local Agency, If Any)</small>		and EEOC	
NAME (Indicate Mr., Ms., or Mrs.) Ms. Deborah Dugan		HOME TELEPHONE NUMBER (include Area Code) (212) 257-6800	
STREET ADDRESS c/o Michael J. Willemin, Wigdor LLP, 85 Fifth Avenue		CITY, STATE AND ZIP CODE New York, NY 10003	DATE OF BIRTH 4/5/58
NAMED IS THE EMPLOYER, LABOR ORGANIZATION, EMPLOYMENT AGENCY, APPRENTICESHIP COMMITTEE, STATE OR LOCAL GOVERNMENT AGENCY WHO DISCRIMINATED AGAINST ME (If more than one list below).			
NAME National Academy of Recording Arts & Sciences Inc.		NO. OF EMPLOYEES/MEMBERS 110	TELEPHONE NUMBER (include Area Code) (310) 392-3777
STREET ADDRESS 3030 Olympic Blvd		CITY, STATE AND ZIP CODE Santa Monica, CA 90404	COUNTY Los Angeles
NAME		NO. OF EMPLOYEES/MEMBERS	TELEPHONE NUMBER (include Area Code)
STREET ADDRESS		CITY, STATE AND ZIP CODE	
CAUSE OF DISCRIMINATION BASED ON (Check appropriate box(es))			
<input type="checkbox"/> RACE <input type="checkbox"/> COLOR <input checked="" type="checkbox"/> SEX <input type="checkbox"/> RELIGION <input type="checkbox"/> NATIONAL <input checked="" type="checkbox"/> RETALIATION <input type="checkbox"/> AGE <input type="checkbox"/> DISABILITY <input type="checkbox"/> OTHER (Pregnancy)			
		DATE DISCRIMINATION TOOK PLACE EARLIEST May 2019	LATEST Present
		<input checked="" type="checkbox"/> CONTINUING ACTION	
THE PARTICULARS ARE <small>(If additional space is needed, attach extra sheet(s))</small>			
SEE ATTACHED SUPPLEMENT.			
<div style="border: 2px solid blue; padding: 10px; width: fit-content; margin: auto;"> <p style="text-align: center;">RECEIVED</p> <p style="text-align: center;">JAN 21 2020</p> <p style="text-align: center;">EEOC/LADO</p> <p style="text-align: center;">INTAKE</p> </div>			
I want this charge filed with the EEOC and the State FEPA. I will advise the agencies if I change my address or telephone number and I will cooperate fully with them in the processing of my charge in accordance with their procedures.		NOTARY - (When necessary to meet State and Local Requirements)	
I declare under penalty of perjury that the foregoing is true and correct.		<small>I swear or affirm that I have read the above charge and that it is true to the best of my knowledge, information and belief.</small>	
<small>DocuSigned by:</small>  <small>A4E40C43499C495...</small> <small>Charging Party (Signature)</small>		<small>SIGNATURE OF COMPLAINANT</small> <small>DocuSigned by:</small>  <small>A4E40C43499C495...</small> <small>SUBSCRIBED AND SWEARN TO BEFORE ME THIS DATE</small> <small>(Month, day and year)</small> 01/21/2020	
Date 01/21/2020			

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
LOS ANGELES DISTRICT OFFICE

-----X
DEBORAH DUGAN,

Claimant,

v.

NATIONAL ACADEMY OF RECORDING ARTS
AND SCIENCES,

Respondent.

-----X
CHARGE OF
DISCRIMINATION



PRELIMINARY STATEMENT

1. On December 22, 2019, Deborah Dugan, the recently hired Chief Executive Officer ("CEO") and President of the National Academy of Recording Arts and Sciences (the "Recording Academy" or, simply, the "Academy") sent an email to Shonda Grant, Managing Director, People and Culture (Human Resources ("HR")).

2. In Ms. Dugan's December 22, 2019 email (attached as Exhibit A), she described sexual harassment to which she was subjected by Joel Katz, Esq., an attorney who is general counsel to the Academy and a former member and Chair of the Academy's Board of Trustees (the "Board").

3. The email also detailed egregious conflicts of interest, improper self-dealing by Board members and voting irregularities with respect to nominations for Grammy Awards, all made possible by the "boys' club" mentality and approach to governance at the Academy.

4. In addition, the email complained that Ms. Dugan had been asked by the then-current Chair of the Board, John Poppo to hire former CEO Neil Portnow as a consultant for the hefty sum of \$750,000. Mr. Portnow bowed away from the Academy in disgrace after making misogynistic remarks about woman recording artists. As Ms. Dugan came to learn after she

agreed to take the CEO position (for which she was paid substantially less than her two male predecessors), Mr. Portnow also allegedly raped a female recording artist, which was, upon information and belief, the real reason his contract was not renewed.

5. The end of Ms. Dugan's December 22, 2019 email reads:

Let me close with a simple observation. In my efforts to successfully resolve the many outstanding lawsuits facing the Academy that I inherited, one of the claimants characterized her experience of our organization's leadership as "...it's a boy's club and they put their financial interest above the mission...." At the time, I didn't want to believe it, but now after 5 months of being exposed to the behavior and circumstances outlined here, I have come to suspect she is right.

6. There is no better way to illustrate the existence of the "boys' club" mentality at the Academy than to look at the way Ms. Dugan has been treated since her December 22, 2019 email complaint to HR.

7. Only three weeks after sending her complaint to HR, on January 16, 2020 Ms. Dugan was put on administrative leave by the members of the Board's Executive Committee. The decision to put Ms. Dugan on leave was clearly made in retaliation for her complaint, and came with thinly veiled threats of termination in the event that Ms. Dugan persisted in pursuing claims against the Academy.

8. At the time she was put on leave, Harvey Mason, the Chair of the Board (and current interim-CEO), told Ms. Dugan that the Academy would not provide any statements regarding the leave other than, if asked, to say that Ms. Dugan had taken a leave of absence.

9. Despite this assurance, just minutes later the Board leaked to the press that Ms. Dugan had been "placed" on administrative leave "in light of concerns raised to the Recording Academy board of trustees, including a formal allegation of misconduct by a senior female member of the Recording Academy team."

10. This explanation was completely false and defamatory. It was designed to retaliate against Ms. Dugan, threaten her, and malign her reputation.

11. As will be described in detail herein, Ms. Dugan was not placed on leave because of any accusation by a senior female member of the Academy.

12. After Ms. Dugan wrote her December 22, 2019 email, she put the Academy on notice that she intended to bring claims against the Academy. On January 16, 2020, after the Academy backed out of a resolution that had nearly been reached in principle to resolve Ms. Dugan's legal claims, Mr. Mason conveyed the Board's new unacceptable offer of settlement. Mr. Mason also told Ms. Dugan that she had only one hour to accept the Academy's proposal. When Ms. Dugan failed to do so, the Board immediately put her on administrative leave. The leave had nothing to do with any accusations made against Ms. Dugan. It was retaliation, pure and simple.

13. The concerns referenced in the Academy's statement to the press – which were made by Mr. Portnow's Executive Assistant, not a "senior female member" of the Academy – had been raised well more than a month prior to Ms. Dugan being put on leave. Yet, Ms. Dugan was not put on leave when the allegations were first raised, nor was she put on leave after the Academy's receipt of a demand letter from the accuser.

14. Instead, Ms. Dugan was only put on leave after raising complaints about sexual harassment and other improprieties, indicating her intent to commence legal action and refusing to settle her claims on terms dictated by the Academy.

15. Moreover, the Board knows very well that the complaints raised by the accuser are completely without merit (and even conceded that the accuser violated multiple Academy policies in the weeks leading to her complaints). However, even if the Board genuinely believed

that the accusations had merit (which they did and do not), the accusations are not of the sort that would ever result in a CEO being put on administrative leave.

16. In short, Ms. Dugan was accused of acting in a hostile manner towards an Executive Assistant. Again, the Board was ready to hire Mr. Portnow as a consultant and pay him \$750,000, even after he was accused of rape, made misogynistic comments and resigned in disgrace. The Board certainly did not put Ms. Dugan on administrative leave because it believed she was rude to an Executive Assistant (and, if it had, such decision would simply further highlight the Academy's discriminatory decision making).

17. As if the foregoing was not enough, just yesterday, with the knowledge that Ms. Dugan was about to file this Charge, Mr. Mason penned and published (and leaked to the press) a false, retaliatory and defamatory letter designed to "get out in front" of this Charge and further destroy Ms. Dugan's reputation.

18. The January 20, 2020 letter essentially accuses Ms. Dugan of manufacturing legal claims after being put on notice of Ms. Little's claims. As described above and herein, that is false. From the very beginning of her employment – as laid out in detail herein – Ms. Dugan complained about and attempted to remedy the lack of diversity at the Academy, as well as nearly all of the improprieties complained about in her December 22, 2019 email. Ms. Dugan was not the only one. Other employees, Board members and even recording artists have made various complaints about most of these issues as well.

19. What is worse, the letter insinuates that Ms. Dugan attempted to extort the Academy (false) and subsequent statements by representatives of the Academy have resulted in press coverage accusing Ms. Dugan of extortion. That was precisely the intended effect of the Academy's reprehensible conduct.

20. The Executive Committee is trying to paint Ms. Dugan as a money-hungry liar. Nothing could be further from the truth. In reality, Ms. Dugan took the CEO job at the Academy because she firmly believes that music can save lives. She left a comfortable job in New York City, and moved her family across the country to join the Academy. She spent every day of her tenure working in the best interests of the Academy.

21. Six months later, the Board is doing everything it can to destroy Ms. Dugan for the sole reason that she posed a threat to the “boys’ club.” In fact, this very day Mr. Mason is calling high caliber artists and related people, including John Legend’s Manager, Ty Stiklorius. Mr. Mason is defaming Ms. Dugan by telling these people, among other things, that Ms. Dugan attempted to extort \$22mm from the Academy. This is flat out false, but Mr. Mason is intent on fully destroying Ms. Dugan, a strong woman who was willing to “step up” to combat rampant discrimination and improprieties at the Academy.

22. The damage that the Academy has done to Ms. Dugan is immeasurable and can never be remedied. However, Ms. Dugan will do everything in her power to hold the Academy and the Board responsible for the unlawful conduct described herein.

FACTS

I. BACKGROUND

A. The Academy and Its Historically Male Dominated Leadership

23. The Academy, which was established in 1957, is a public, not-for-profit academy of musicians, producers, recording engineers, and other musical professionals, famous for organizing and presenting music’s most important awards ceremony, the Grammy Awards.

24. The 1st Annual Grammy Awards were held in 1959. On this coming Sunday, January 26, 2020, the Academy will present the 62nd edition of the Grammy Awards.

25. The Academy has 12 chapters in various locations throughout the United States. The 12 chapters are located in Atlanta, Chicago, Florida, Los Angeles, Memphis, Nashville, New York City, the Pacific Northwest, Philadelphia, San Francisco, Texas, and Washington D.C.

26. The Academy has had very few women in senior executive positions. Prior to Ms. Dugan's hire, only two women at the Academy had ever attained the title of Senior Vice President; one eventually retired after receiving no further promotions and the other departed after her requests to be promoted were repeatedly ignored.

B. Women and Minority Groups Are Historically Underrepresented at the Grammys

27. The Grammy Awards have been widely criticized in recent years because of its apparent exclusion of many female artists from consideration for awards.

28. Indeed, a 2018 study by the Annenberg Inclusion Initiative made clear that the gender gap at the Grammy Awards is real. As reported in that study, between 2013 and 2018, only 9.3% of the nominees in the Record of the Year, Album of the Year, Song of the Year, Best New Artist and Producer of the Year categories were women.

29. The 2018 ceremony highlighted the Grammys similarly long-standing struggle with gender inequality — the sole woman to receive an award during the telecast was best new artist Alessia Cara. Moreover, megastar Lorde, the only woman to be nominated for album of the year, was not even invited to perform her music.

30. The Grammy Awards also have been criticized over the years over the lack of diversity with respect to the winners of the most prestigious awards. These awards rarely go to rap and contemporary R&B stars, including widely acclaimed artists like Beyoncé, Kanye West, Kendrick Lamar, Eminem and Mariah Carey. While those acts have won in the rap and R&B

categories, when it comes to the most coveted prizes such as Album, Song and Record of the Year, the winners tend to be in the rock, country and pop genres.

31. Notably, in the entire history of the Grammys, only 10 Black artists have won Album of the Year and it was not until 2004 when the first rap album, Outkast's SpeakerBoxxx/The Love Below, won Album of the Year.

32. The Recording Academy has routinely faced criticism for failing to honor Black artists. For instance, critics have pointed out that even the Best Rap Album category tends to favor White artists, with Eminem taking the award seven times, and Macklemore & Ryan Lewis's album beating out what many regard as superior releases from Kendrick Lamar, Drake and Kanye West in 2014.

33. In 2012, the Recording Academy was criticized when Mumford & Sons took Album of the Year, which many regarded as an insult to Frank Ocean's album "Channel Orange," and led to Ocean declining to submit his 2016 album named Blonde for award consideration. Ocean was quoting as saying, "I think the infrastructure of the awarding system and the nomination system and screening system is dated. I'd rather this be my Colin Kaepernick moment for the Grammys than sit there in the audience."

34. In 2017, the Academy was also criticized when Adele's album named "25" beat out Beyoncé's album named "Lemonade" for Album of the Year.

35. In 2019, the Academy was criticized for cutting off the acceptance speeches of Grammy Awards winners Drake and Dua Lipa, both of whom had made comments critical of the Academy. In particular, Drake criticized the Academy and said, "We play an opinion-based sport, not a factual-based sport. This is a business where sometimes it's up to a bunch of people

that might not understand what a mixed-race kid from Canada might have to say or a fly Spanish girl from New York,” before his microphone was cut out.

C. **Neil Portnow**

36. Ms. Dugan’s predecessor, Neil Portnow, held the position of CEO at the Academy for over 16 years.

37. Mr. Portnow left the position on a very negative note after he suggested, following the male-dominated 2018 Grammy Awards ceremony, that female artists should “step up” if they wanted to be recognized at the Grammys.

38. Mr. Portnow later announced that he would not return to his position once his contract expired months after this comment, which was widely criticized and prompted calls from high-profile artists for his immediate resignation. However, the Board stuck by Mr. Portnow’s side and did not terminate his employment or even secure his resignation.

39. An online petition posted by singer-songwriter Vanessa Carlton calling for his resignation surpassed its goal of 10,000 signatures; more than 30,000 people had signed the document.

40. The remarks were criticized by Pink, Sheryl Crow, Katy Perry, India Arie and others.

41. As described below, after agreeing to take the CEO job, Ms. Dugan also learned that Mr. Portnow had been accused of rape.

42. Mr. Portnow was not even the first Academy CEO to be accused of sexual misconduct. Indeed, Mr. Portnow’s predecessor, Mike Greene, was forced to resign from the CEO position after he got caught up in his own sexual harassment scandal.

II. THE TASK FORCE

43. In the wake of the controversy surrounding Mr. Portnow’s comments, in March 2018, the Academy established a task force to examine issues of diversity and inclusion within it and the broader music community (the “Task Force”).

44. The Task Force was formed specifically to examine “conscious and unconscious bias” in the music industry that impacts women and people of color.

45. The Task Force was headed by Tina Tchen, former Chief of Staff to First Lady Michelle Obama, and the current President of Time’s Up, an advocacy group aimed at campaigning for safer and more equitable work conditions for women across multiple industries.

46. The Academy provided data to the Task Force at the outset of its work that made it abundantly clear that a lack of diversity in the voting membership was a serious problem.

47. For example, as of April 2018, one month after the formation of the Task Force, women made up only 20% of the Academy’s Voting Members. The racial diversity numbers, while slightly better, still reflected significant underrepresentation of the Asian-American and Hispanic communities in the membership.

48. In December 2019, the Task Force concluded in its 47-page final report that the biases affecting women, people of color and LGBTQ creators in the music business are deeply ingrained.

49. Notably, the Task Force discovered that the Academy’s membership, including the 12,000 voting members who participate in Grammy Awards nomination and awards decisions, is overwhelmingly White and male.

50. The same was evident on the special committees (discussed in more detail *infra*) that review recordings submitted for award consideration.

51. The Task Force, in particular, found that two of the Academy's committees that serve vital internal and external functions – the national governance committees and nomination review committees – had “historically not been comprised of diverse members.”

52. The national governance committees play a key role in setting corporate policy for the Academy, touching virtually every part of its functions, pursuant to authority the Board delegates to them.

53. The nomination review committees (the members of which are shrouded in secrecy), on the other hand, play a specific role with respect to the selection of Grammy Awards nominees. For awards categories that have such committees – including the “Big Four” awards for Album of the Year, Record of the Year, Song of the Year and Best New Artist – these committees ultimately determine who will be nominated for Grammy Awards. The role of the nomination review committees is described in further detail *infra*.

54. Despite the indisputable importance of these committees, the Task Force found that they have historically not included members that reflect the demographics of society at large. For example, between 2015 and 2018, 71% of the national governance committee members were men, while only 29% were female; and between 2015 and 2017, the members of the nomination review committees in the aggregate were 74% male, 26% female.

55. The Task Force further found that the members comprising the Board historically have not been diverse from either a gender or ethnicity perspective. Between 2012 and the present, the Board has been approximately 68% male and 69% Caucasian.

III. THE GRAMMY VOTING PROCESS IS RIPE WITH CORRUPTION

56. As described above, the Grammy voting process is illustrative of the “boys’ club” mentality that exists at the Academy and amongst its Board members.

57. Rather than promoting a transparent nomination process, the Board has decided to shroud the process in secrecy, and ultimately controls, in large part, who is nominated for Grammy Awards.

58. Submissions for awards are, in the first instance, voted on by the Academy's 12,000 voting members.

59. Thereafter, the top 20 selections are reviewed by "secret committees" (the nomination review committees), the members of which are chosen by Bill Freimuth, the Head of Awards, along with the Board Chair.

60. Board members, including those who represent or have relationships with nominated artists, sit on these secret committees.

61. The purpose of the nomination review committees is, ostensibly, to narrow the 20 potential nominations (which are ranked from 1 to 20 based on the membership's voting) down to the five to eight (depending on the category) most deserving artists prior to resubmitting the final list to the voting members of the Academy.

62. However, the Board uses these committees as an opportunity to push forward artists with whom they have relationships. Indeed, it is not unusual for artists who have relationships with Board members and who ranked at the bottom of the initial 20-artist list to end up receiving nominations.

63. The Board also manipulates the nominations process to ensure that certain songs or albums are nominated when the producer of the Grammys (Ken Ehrlich) wants a particular song performed during the show.

64. To make matters worse, the Board is permitted to simply add in artists for nominations who did not even make the initial 20-artist list. Naturally, the members of the

Board and the secret committees chose artists with whom they have personal or business relationships. This year, 30 artists that were not selected by the membership were added to the possible nomination list.

65. Moreover, in an outrageous conflict of interest, the Board has selected artists who are under consideration for a nomination to sit on the committee that is voting for the category for which that have been nominated. As a result, one artist who initially ranked 18 out of 20 in the 2019 “Song of the Year” category ended up with a nomination. This artist was actually permitted to sit on the “Song of the Year” nomination committee. Incredibly, this artist is also represented by a member of the Board.

66. As a result of the foregoing, it is not surprising that many high caliber artists who could have taken home the award in a specific category, have, , at times, not been nominated at all. For instance, Ed Sheeran and Ariana Grande, who had been voted for by the membership, missed out on nominations in the 2019 “Song of the Year” category in part because the aforementioned artist who ranked 18 out of 20 was nominated instead.

67. Similarly, in the “secret committee” for Best Jazz Vocals, artists that were up for an award in that category also participated in the nomination voting process. Ms. Dugan actually learned about this from a Grammy Award winning artist who was also a committee member (she was not up for a nomination that year), who complained about improprieties and conflicts of interest within the nomination process.

IV. THE ACADEMY HIRES MS. DUGAN AS ITS FIRST WOMAN CEO AND PRESIDENT

A. Ms. Dugan is a Highly Accomplished Professional with Decades of Experience

68. Ms. Dugan is an extremely accomplished individual with over 30 years of professional experience.

69. Ms. Dugan began her career as an attorney at Mudge, Rose, Guthrie, Alexander & Ferdon, a leading wall-street law firm.

70. In 1989, Ms. Dugan decided to transition into not-for-profit work and took the position of Director of Legal Services at Volunteer Lawyers for the Arts, a nationwide not-for-profit organization that provided legal services to artists and various cultural entities.

71. Having fallen in love with the music industry, Ms. Dugan next took a position at EMI Records Group / Angel Records (“EMI”), where she rose to the rank of Executive Vice President.

72. After eight successful years at EMI, Ms. Dugan joined Disney Publishing Worldwide. Ms. Dugan worked for Disney Publishing Worldwide for eight years, until 2006. During Ms. Dugan’s last four years with Disney Publishing Worldwide, she served as its President. Disney Publishing Worldwide was a \$2bln at retail division of the larger Walt Disney Company, and Ms. Dugan was one of only six Presidents at the Walt Disney Company.

73. Starting in 2009 Ms. Dugan served as a Senior Advisor to the Board of Tribeca Music Enterprises. Tribeca Music Enterprises is a diversified global media company that was established by Robert De Niro, Jane Rosenthal and Craig Hatkoff. Tribeca Music Enterprises operates, among other things, the Tribeca Film Festival.

74. Finally, in 2011, Ms. Dugan was recruited to become the CEO of (RED), a not-for-profit organization founded by U2's Bono and Bobby Shriver that has raised over \$600mm to save lives in the fight against AIDS.

75. At the time Ms. Dugan joined (RED), Bono accurately remarked, "She's got firecracking energy, great creativity and a hardcore business background." Ms. Dugan was extremely dedicated to the mission of (RED) and took many trips to Africa during her tenure in order to better understand the AIDS crisis and its impact.

76. In addition to all of her other work, Ms. Dugan has given speeches at the United Nations on equality for women and is a Forbes women's writer of articles such as "Bring Your Values to Work" and "Purpose and Career."

B. Ms. Dugan is the Board's First Choice for CEO of the Academy

77. In the early spring of 2019, Ms. Dugan was contacted by the consulting firm Korn Ferry in connection with its search for a new CEO and President of the Academy.

78. At the time, Ms. Dugan was not a candidate for the position, nor was she interested in leaving (RED). Rather, Ms. Dugan was asked by Korn Ferry about her opinion of various candidates.

79. However, by the end of this first conversation, the Korn Ferry recruiter realized that Ms. Dugan would be the perfect candidate for the role. Indeed, Ms. Dugan had an enviable combination of experience in governance, deal making, marketing, the music industry and not-for-profit companies.

80. Although Ms. Dugan was happily working and living in New York City, she agreed to be interviewed by the Board's Search Committee.

81. After two interviews (one by teleconference, and one in person), Ms. Dugan was selected as one of the finalists for the position. At the time, Ms. Dugan was still very uncertain as to whether she would even accept the role if it was offered given that it would require her and her family to uproot their lives and move across the country to Los Angeles.

82. Indeed, Ms. Dugan was regularly contacted about opportunities to head high profile institutions and entities, including, among others, the Girl Scouts of America and the Humane Society. Ms. Dugan never explored these opportunities because of her deep love for the work she did with (RED).

83. Nevertheless, Ms. Dugan flew across the country to meet (along with multiple other candidates) with the full 40-member Board.

84. During the interview process, Ms. Dugan repeatedly spoke about the lack of diversity at the Academy and the need to increase it.

85. Following her interview with the full Board, Ms. Dugan received a call from the Academy notifying her that she was the top choice (out of more than 100 interviewed candidates) for the CEO position.

86. Ms. Dugan spent the following weeks negotiating a contract with the Academy, which was ultimately signed on May 8, 2019. The contract provided for a three-year term of employment commencing on August 1, 2019. The contract also provided that in the event that Ms. Dugan was terminated without cause or left for good reason prior to the expiration of the term, she would receive a significant payout from the Academy.

87. However, even at these early stages the gender discrimination that permeates the Academy was evident, as evidenced by the fact that Ms. Dugan was offered significantly less compensation than her male predecessor, Mr. Portnow, was being paid.

88. When Ms. Dugan asked to be paid commensurate with the compensation received by Mr. Portnow, her request was rejected and she was told that she should be happy to be earning more than she had in her previously role (the Board was aware of her profit compensation because not-for-profits are required to publicly report executive compensation). This attitude and conduct, of course, perpetuates the gender pay gap and is the reason that many states, including California, have banned employers from asking potential hires about prior compensation information.

V. MAY 2019 – MS. DUGAN DISCOVERS EXORBITANT IMPROPER EXPENDITURES, IS SEXUALLY HARASSED AND LEARNS THAT MR. PORTNOW ALLEGEDLY RAPED AN ARTIST

A. Ms. Dugan Learns that the Academy Pays Exorbitant Fees to Outside Legal Counsel Who are Heavily Conflicted

89. As described throughout this Charge, the Academy is a “boys’ club” network where men work together to the disadvantage of women and disenfranchised groups in order to line their own pockets and maintain a firm grip of control on the Academy’s dealings.

90. This is evident in many ways, including, but not limited to, the Board’s willingness to acquiesce to the payment of exorbitant legal fees to male partners of large law firms who are extremely conflicted with respect to their work for the Academy.

91. Joel Katz, an attorney at the law firm Greenberg Trauig, is general counsel to the Academy and a former Board member and Board Chair.¹

92. Mr. Katz and his law firm are paid an exorbitant amount of money by the Academy. To begin, Mr. Katz is personally paid \$250,000 per year (plus reimbursement of

¹ See <https://www.gtlaw.com/en/professionals/k/katz-joe-a>.

travel and expenses that were incurred without any prior authorization) simply to be on call in the event the Board needs any legal advice.

93. On top of that, according to news reports, Greenberg Trauig billed the Board for over \$15mm in legal work over a period of only a few years.

94. As if this is not enough, Mr. Katz and his law firm also are paid hefty sums on a transactional basis.

95. Greenberg Trauig is not the only law firm that reaps the benefit of the Board's irresponsible spending. Indeed, media reports have identified Proskauer Rose (and former Proskauer Rose partner, Chuck Ortner) as another firm that has billed millions of dollars to the Academy, which is a not-for-profit entity. Both Mr. Katz and Mr. Ortner are currently Board members of the Academy's museum.

96. Indeed, during the first week of her employment Ms. Dugan was asked to approve a \$250,000 retainer agreement to Mr. Ortner for "consulting" services.

97. In exchange for all of this money, Mr. Katz and Mr. Ortner apparently feel the need to be overly involved in the business of the Academy. Indeed, according to media reports, "insiders," say that "the Academy and Grammy leadership ... is largely run by [former Academy CEO Portnow], attorneys Joel Katz and Chuck Ortner[] along with longtime Grammy executive producer Ken Ehrlich and CBS executive VP Jack Sussman."² Indeed, Board Chair Mr. Mason told Dugan "the future of the Recording Academy is in Joel Katz's hands."

98. This presents a huge conflict of interest, as Mr. Katz and Mr. Ortner also represent individual Board members (Mr. Katz represents Mr. Mason in personal matters and,

² See <https://variety.com/2019/music/news/who-is-deborah-dugan-neil-portnow-replacement-grammy-awards-recording-academy-1203191083/>.

upon information and belief, is not compensated for this “side work”), recording artists and/or other entities and individuals in the music industry with personal interests in decision making at the Academy. As a result, Mr. Katz and Mr. Ortner are in unique and conflicted positions to curry unwarranted favor from the Board (in exchange for personal legal services). They also are in unique and conflicted positions to influence Academy decision making (including award nominations) to favor their clients outside of the Academy.

99. Ms. Dugan, being a lawyer herself, immediately recognized the impropriety of the Academy’s expenditures on outside counsel, as well as the conflicts of interest at issue, and attempted to take immediate steps to rectify these problems.

100. Indeed, in December 2019 Ms. Dugan publicly stated that the Academy would be seeking to hire an in-house attorney to handle much of the work that is being performed by Greenberg Traurig and Proskauer Rose. This would have saved the Academy millions of dollars.

101. Rather than follow Ms. Dugan’s guidance, the Academy decided to *increase* the amount of money it pays to Mr. Katz and Mr. Ortner and further perpetuate the “boys’ club” environment.

B. Ms. Dugan Is Sexually Harassed By Mr. Katz

102. In May 2019, before Ms. Dugan even began her work at the Academy, she was invited to attend the first day of a three-day meeting of the Academy’s Board at the Ritz Carlton, Laguna Niguel³

103. Prior to coming to the meeting, Ms. Dugan was contacted by Mr. Katz and he requested that Ms. Dugan have dinner with him, alone, the night of May 18, 2019.

³ The Board also has held meetings at other lavish locales, including four Board meetings in Hawaii.

104. Ms. Dugan was perplexed by this request, as she believed that if she was going to go to dinner with anyone, it should be to meet the Board's Chair or Executive Committee.

Despite her reservations, she agreed to join Mr. Katz for dinner as so not to upset the applecart before she even began her work at the Academy.

105. Throughout their May 18, 2019 dinner (Mr. Katz chose a very expensive restaurant and ordered an outrageously expensive bottle of wine) Mr. Katz acted extremely inappropriately.

106. To begin, Mr. Katz repeatedly referred to Ms. Dugan as "baby," rather than by her name.

107. Mr. Katz also repeatedly commented on Ms. Dugan's physical appearance, telling her multiple times that she was "very pretty."

108. In an obvious and unwelcome attempt to "woo" Ms. Dugan into a romantic relationship, Mr. Katz began talking about his failed marriage and complaining that he was "lonely" and had "no one to spend time with."

109. Mr. Katz also told Ms. Dugan that he was "very very rich," had many homes (including one in Bermuda), and even had a private plane.

110. Mr. Katz then suggested to Ms. Dugan that the two of them "spend time together" and said that "traveling to my many homes could be something nice for us to share."

111. Ms. Dugan made it clear that she was not interested in Mr. Katz's advances and told Mr. Katz that she was in a committed relationship.

112. Nevertheless, when dinner ended, Mr. Katz leaned in and attempted to kiss Ms. Dugan. Ms. Dugan quickly turned away, repulsed.

113. Despite the fact that Ms. Dugan rejected all of Mr. Katz's advances, he continued to act inappropriately towards her.

114. Indeed, in every one-on-one conversation Ms. Dugan had with Mr. Katz following the May 18, 2019 dinner, he told her that she was pretty and referred to her as "baby."

C. Ms. Dugan Learns that Mr. Portnow Allegedly Raped an Artist

115. Following day-one of the May Board meeting, Ms. Dugan learned that Ms. Tchen would be speaking about the progress of the Task Force on day-two of the Board meeting.

116. Ms. Dugan, who had not been invited to day-two, decided to invite herself to day-two in order to hear what Ms. Tchen had to say.

117. However, just before Ms. Tchen was scheduled to begin to speak, Ms. Dugan was hauled into a conference room and told – for the very first time – that a foreign recording artist (and member of the Academy) had accused Mr. Portnow of raping her following a performance that she gave at Carnegie Hall.

118. The news was presented to Ms. Dugan as though the Board had just learned of the allegation. In reality they were well aware of the allegation at the time Ms. Dugan agreed to take on the CEO position, but never told her.⁴

119. Incredibly, the full Board had not even been apprised of the allegation despite the fact that they were supposed to be voting the following day on whether to give Mr. Portnow a bonus for his past work for the Academy. Ms. Dugan quickly advised that the vote on a bonus could not go forward until the full Board was told of the rape allegation.

⁴ According to the artist's attorney, a psychiatrist has confirmed that the sexual encounter between her and Mr. Portnow was likely not consensual.

120. Even worse, prior to disclosing to Ms. Dugan that Mr. Portnow had been accused of rape, the Board had asked Ms. Dugan to hire Mr. Portnow as a consultant for the hefty sum of \$750,000. Ms. Dugan refused.

D. **"This is Bullshit"**

121. Following the disclosure of the claim against Mr. Portnow, Ms. Dugan returned to the Board meeting for Ms. Tchen's speech.

122. Naturally, Ms. Tchen speech highlighted the Academy's lack of diversity and spoke about ways to tackle the issue and increase diversity and inclusion.

123. During the speech, one Board member relayed to Ms. Dugan, "this is bullshit."

VI. MS. DUGAN JOINS THE ACADEMY AND ATTEMPTS TO DRIVE CHANGE

124. From the very beginning of her employment with the Academy, Ms. Dugan made clear that she would not tolerate the continuation of the Academy's decades-long issues with respect to equality for women and other underrepresented groups.

125. In her first interview with members of the media after the announcement of her appointment, Ms. Dugan said, "All the issues that [Mr. Portnow] has addressed have led us to a larger conversation, and that is a conversation, of course, that we need to have about women and diversity in music. Where we take it and how we use this organization to effect positive change, that's one of the questions I'm most excited to answer in this job."

126. She further added, "everywhere I've worked has had a culture of inclusivity, of entrepreneurship thinking, of thinking big, and again, with a beginner's mind, I want to look at the Recording Academy and hopefully bring positive change."

127. In September 2019, Ms. Dugan publicly pledged to increase diversity and inclusion at the Academy.

128. Ms. Dugan also entertained conversations with “dissenters” to the Academy’s status quo, including with representatives of recording artists such as Kendrick Lamar and Rhianna.

129. On October 11, 2019, Ms. Dugan gave an impassioned speech on women’s rights at a Billboard luncheon with her 92-year-old mother by her side.

130. In early November 2019, Ms. Dugan prepared and delivered a presentation to the full Board. During the presentation, she highlighted many aspects of the “boys’ club” culture at the Academy and proposed ways in which to increase diversity and inclusion.

131. Among other things, the presentation:

- Identified “creat[ing] a culture of diversity” as a strategic goal.
- Highlighted the fact that the Academy is “way more male than female” and the importance of reaching a “50/50 gender balance[].”
- Highlighted the fact that the Academy is “not reflective of the music industry today” and the importance of “diversity in every way – culturally, ethnically, genre and by age.”
- Pointed out that women “are woefully under-represented in today’s music” and that men make up nearly 70% of the voting population (for Grammy nominations and awards) of the Academy’s membership.
- Established goals of diversifying the Academy.
- Stated that the membership of the Academy, which ultimately determines the Grammy process and Board structure, is completely lacking in diversity.

132. The presentation also highlighted the findings of the Task Force and the need to follow its recommendations. By way of example, the presentation called on the Academy to, *inter alia*:

- “Have diversity in our mission, vision, and values.”
- “Build a more inclusive working culture and diverse leadership team.”
- “Add [a] diversity role to the leadership team.”
- Diversify the Nomination Review Committees that determine which artists are ultimately nominated for awards.
- Hold its Chapters accountable for reaching diversity goals.
- Double the number of women in the Academy’s voting membership.
- Diversify the Board and its governing committees.

133. Finally, with respect to “next steps,” Ms. Dugan’s presentation called for “inclusion and diversity in everything we do.”

134. Ms. Dugan also strongly recommended that the Board decrease payments to male outside counsel.

135. Unfortunately, as described below, following Ms. Dugan’s presentation, the Board apparently came to the determination that it preferred the status quo over diversity and inclusion, and refused to take action to curb the Academy’s “boys’ club” mentality.

136. Indeed, following Ms. Dugan’s presentation, the Executive Committee of the Board held a meeting and specifically excluded Ms. Dugan.

VII. SHORTLY AFTER THE NOVEMBER 2019 BOARD MEETING, THE BOARD STRIPS MS. DUGAN OF ALL MEANINGFUL RESPONSIBILITIES

A. Claudine Little

137. Claudine Little was the Executive Assistant to Mr. Portnow.

138. When Ms. Dugan was hired, she was given the option of terminating Ms. Little and hiring her own Executive Assistant (as would be common in the case of any CEO change at any company).

139. Out of nothing more than the goodness of her heart, Ms. Dugan decided not to terminate Ms. Little, and instead attempt to have her work with Ms. Dugan or find a new role for her within the organization.

140. At first, Ms. Dugan allowed Ms. Little to continue with Executive Assistant duties. However, it quickly became clear that Ms. Little was not up to the task. Among other issues, Ms. Little did not consistently forward messages to Ms. Dugan and simply did not know how to manage an Outlook calendar (which she apparently was not required to do for Mr. Portnow).

141. Ms. Dugan received numerous complaints attributable to Ms. Little's conduct, including from Barbra Streisand's manager and the Head of Universal Music Publishing Group, among many other people.

142. Ultimately, Ms. Dugan offered Ms. Little a Board relations position or an Executive Assistant position to the soon-to-be-hired head of MusiCares. Ms. Little agreed to the Board relations position, and even drafted up a job description. However, Ms. Little then changed her mind and refused the position.

143. Thus, Ms. Dugan, who still did not terminate Ms. Little, continued to work with her, as well as HR and an outside consultant, to find a position for Ms. Little.

B. The Executive Committee Confronts Ms. Dugan

144. At the end of October 2019, Ms. Little took a leave of absence from the Academy. She was scheduled to return on November 25, 2019.

145. When it became clear that Ms. Little would not be returning on November 25, 2019, the Executive Committee abruptly confronted Ms. Dugan and began interrogating her about the “Little situation.”

146. Ms. Dugan calmly explained the situation to the Executive Committee and invited HR to further explain the circumstances. At the time Ms. Little had not even made a legal claim; she was simply out on leave (a leave that was being managed by HR).

147. The Executive Committee then started critiquing Ms. Dugan for random things, including her decision to hire certain consultants and to limit the participants in certain meetings to individuals who actually needed to be in the room (rather than the entire male dominated leadership team).

148. The Executive Committee did not support Ms. Dugan in any way with respect to Ms. Little. Instead, they seemed hell-bent on blowing the “Little situation” way out of proportion to use it as an excuse to grasp control over the management of the Academy because they were unhappy with Ms. Dugan’s calls for more diversity and transparency.

149. This never would have happened if Ms. Dugan were a man.

C. The Board Strips Ms. Dugan of All Meaningful Responsibilities

150. The Board plainly viewed Ms. Dugan as a threat to the Academy’s non-diverse “boys’ club,” and took immediate steps to curb her authority and ability to make meaningful changes.

151. On December 9, 2019, Ms. Dugan received an email from Harvey Mason, the Chair of the Board. Most notably, the email stated that Ms. Dugan, who was the CEO of the Academy, was no longer permitted to hire or terminate staff members without Board approval. The Board also prohibited Ms. Dugan from assigning any new initiatives or special projects to staff members for at least two months. Ms. Dugan was also prohibited from choosing outside counsel, presumably to protect the “boys’ club” and Mr. Katz’s and Mr. Ortner’s gravy train.

152. Obviously these mandates were designed to retaliate against Ms. Dugan for her efforts to increase diversity and prevent her from doing so.

153. Moreover, these mandates were issued in direct contradiction to an email that Ms. Dugan had previously received from Mr. Mason in which he said that she was “well on her way” with respect to the good work she was doing for the Academy.⁵

154. Ms. Dugan responded to the mandate email on December 16, 2019. Among other things, Ms. Dugan’s response highlighted the fact that the mandate email seemed to be designed to curb her ability to achieve progress with respect to “[g]reater diversity among our staff, the board, and our membership” and the “[e]mpowerment of women, especially in the wake [her] predecessor’s disturbing legacy.”

155. Despite Ms. Dugan’s response, her responsibilities were never restored.

156. Moreover, upon information and belief, Mr. Katz and members of the Board were simultaneously encouraging Ms. Little to assert baseless legal claims against the Recording Academy and Ms. Dugan in order to: (i) give the Board an excuse to further diminish Ms.

⁵ Following receipt of this mandate, Ms. Dugan spoke with Mr. Katz, who told her to ignore it (likely in the hopes that she would ignore it and then be fired for cause). He also told her during this conversation that he represents Neiman Marcus and could get her many free dresses so that she could “look pretty” at Academy events. In exchange, he asked Ms. Dugan to simply name Neiman Marcus as a sponsor of the Grammy’s. Ms. Dugan, of course, declined.

Dugan's role and/or terminate her employment; and (ii) camouflage all of the previously discussed misconduct. Indeed, Mr. Katz and members of the Executive Committee even admitted that they were in touch with Ms. Little about these issues.

157. Unsurprisingly, that is exactly what happened. Indeed, the day after Ms. Dugan responded to the "mandate," Ms. Little's attorney sent the Academy a "demand letter" that falsely accused Ms. Dugan of being a bully.

158. Despite knowing full well that the claims were completely frivolous and bogus, Ms. Dugan was warned by Mr. Katz to "get [her] own attorney."

D. The Treatment of Ms. Dugan Is Consistent with the Treatment Suffered By Many Other Women at the Academy

159. Ms. Dugan was far from the first woman to suffer the discriminatory wrath of the Academy and/or its Board. Indeed, both before and during her employment Ms. Dugan learned that other women and members of disenfranchised groups suffered similar discriminatory conduct at the Academy.

i. [REDACTED]

160. By way of example only, the Academy's prior female Chief Information Officer ("CIO"), [REDACTED] wrote to Ms. Dugan to tell her that she had been harassed by a male Board member and reported the matter to HR.

161. After hearing nothing, Ms. [REDACTED] followed up on her complaint. One hour later, Ms. [REDACTED] was told that she would be terminated if she did not resign. The former CIO told Ms. Dugan that she was reduced to tears on numerous occasions, including during meetings with HR. She warned Ms. Dugan, "[i]f you open your mouth, you're gone."

ii. [REDACTED]

162. In February 2019, [REDACTED], former Vice President of MusiCares (a not-for-profit run by the Academy), alleged in a lawsuit against the Academy that she was terminated because she blew the whistle on financial improprieties, and on the basis of her gender and age. She also alleged that Mr. Portnow ran a “boys’ club.” Ms. [REDACTED] had been with MusiCares for 25 years at the time she was fired.

163. Ms. [REDACTED] alleged: “The so-called boys’ club was a group of men who were deeply loyal to Mr. Portnow, regularly socialized with him, and served as go-tos for anything he needed. Multiple women failed at breaking down the barriers to join this club.”

164. Prior to filing suit, following her April 2018 dismissal, Ms. [REDACTED] wrote an open letter to the Academy’s Board, in which she accused Mr. Portnow of steering money away from MusiCares after the Academy was hit with unexpected costs due to its decision to hold the 2018 Grammy Awards at Madison Square Garden (“MSG”).

165. Ms. [REDACTED] alleged that she was pressured to hold MusiCares’ annual gala, the Person of the Year event, at Radio City Music Hall, which is operated by MSG. As a result of the higher costs associated from holding the event at Radio City Music Hall (and not at Barclay’s Center as originally planned), the event raised only \$1mm — down from \$5mm in previous years.

166. Ms. [REDACTED] also accused Mr. Portnow of blocking her efforts to brief the Board on the matter. Around this time, Ms. [REDACTED] alleged that she was confronted with allegations that she had used an unsold \$2,500 hotel certificate from a MusiCares auction to go to Portugal, though, she claimed, she tried to pay for the item as soon as she was reminded of it.

167. Ms. [REDACTED] alleged that the suspect “investigation” of the Portugal hotel voucher was used as a pretext to fire her.

168. Ms. [REDACTED] also claimed that she was terminated “after a painful year of trying to protect MusiCares from being exploited, enduring ongoing instances of workplace abuse and harassment” from two male coworkers, one of who allegedly harassed her at the behest of Mr. Portnow.

169. Ms. [REDACTED] also alleged that she, like other women at the Academy, were held out of top leadership roles, and that she was repeatedly denied promotions.

iii. Former Head of Communications

170. The former female Head of Communications left the Academy after she was sidelined by Mr. Portnow in the wake of his “step up” comments. The crisis management team that the Academy put together to deal with the public relations relating to the “step up” comments was entirely male.

iv. Race Discrimination

171. In addition to gender discrimination, the Academy also has a history of engaging in blatant race discrimination.

172. By way of example only, one Black woman who worked for the Academy’s museum was immediately fired after she began to raise concerns about diversity at the Academy.

173. As another example, a gay Black temp suffered egregious discrimination to the point that he had a mental breakdown after colleagues hung a demeaning picture depicting him as a caricature with huge exaggerated lips.

174. The picture hung for months and was even brought to the Staples Center when the Academy employees were setting up the set for the Grammys.

175. While the person who hung the photograph was eventually terminated, none of the employees who enabled this conduct and failed to report it were disciplined in any manner.

VIII. MS. DUGAN ENGAGES IN FURTHER PROTECTED ACTIVITY AND SUFFERS ADDITIONAL RETALIATION

176. On December 22, 2019, Ms. Dugan sent an email to Shonda Grant, Managing Director, People and Culture (HR) at the Academy.

177. Ms. Dugan's email (attached as Exhibit A) raised various concerns about the "boys' club" culture at the Academy.

178. Indeed, the end of her email reads:

Let me close with a simple observation. In my efforts to successfully resolve the many outstanding lawsuits facing the Academy that I inherited, one of the claimants characterized her experience of our organization's leadership as "...it's a boy's club and they put their financial interest above the mission...." At the time, I didn't want to believe it, but now after 5 months of being exposed to the behavior and circumstances outlined here, I have come to suspect she is right.

179. In support of this conclusion, in Ms. Dugan's December 22, 2019 email she complained about, *inter alia*, the following issues:

- The fact that she was sexually harassed by Ms. Katz.
- The fact that the Academy requested that Ms. Dugan approve a \$750,000 consulting fee to be paid to her predecessor, even though he left in disgrace and was accused of raping an artist.
- The inherent conflict of interest arising out of the fact that the same attorneys that represent the Academy also represent news outlets that profit off of the disclosure of the Academy's confidential information, as in the case of Ms. Dugan's hire, which was leaked to the press while the information was still confidential. When Ms. Dugan inquired as to how her name was leaked to the press, she was told by senior members of the Academy's management, including the Chief Financial Officer, Mr. Mason, and other Board members, that such leaks were commonplace because the attorneys that represent the Academy also represent

publications that expect to receive leaks of the Academy's confidential information.

- The inherent conflict of interest arising out of the fact that the attorneys that represent the Academy (and make millions of dollars doing so) also represent individual Board members and members of the Board's Executive Committee (the very people who are approving the payment by the Academy of millions of dollars to these attorneys).
- The fact that the legal fees being paid to Greenberg Traugt and other law firms, including Proskauer Rose, were plainly exorbitant for a not-for-profit company the size of the Academy.
- The fact that the Executive Committee went behind Ms. Dugan's back and voted to increase the Academy's payments to outside attorneys despite the foregoing.
- The fact that Board members have approved hundreds of thousands of dollars in payments to themselves for work that was either unnecessary or that was already being performed by outside vendors; specifically, the Executive Committee approved hefty payments to members of the Executive Committee.
- The conflict of interest arising out of the fact that the Academy's \$90mm endowment was overseen by Mr. Poppo's brother (who received millions of dollars in fees) while he was Chair of the Board.
- The fact that the Board is intimately involved in the Grammy voting and awards process.

180. To be clear, all of the issues about which Ms. Dugan complained are all relevant to and helped to form her belief that the Academy is, as Ms. ██████ alleged, a "boys' club."

181. Many of the issues also present violations of various laws and regulations, and, in connection with those issues, Ms. Dugan also will be filing a whistleblower complaint in connection with retaliation suffered for making these complaints.

182. Incidentally, at the same time that all of this was happening, the Board was attempting to pressure Ms. Dugan into signing letters with representations that she believed to be false, in order to provide the letters to Deloitte in connection with its audit of the Academy. Ms. Dugan refused to look the other way and falsely confirm that the Academy was acting above-board when she knew that it was actually acting as a “boys’ club” where the conflicts of interest and self-dealing were rampant.

IX. MS. DUGAN RETAINS COUNSEL AND IS SUBJECTED TO FURTHER THREATS AND IS ULTIMATELY REMOVED FROM HER POSITION

183. On December 24, 2019, Ms. Dugan’s attorney, Bryan Freedman, Esq., put the Academy on notice of her intention to pursue legal claims.

184. Over the following weeks, Mr. Freedman and counsel for the Academy, Tony Oncidi, Esq., with Proskauer Rose, attempted to work out a resolution of Ms. Dugan’s claims.

185. In fact, the parties were relatively close in negotiations and had nearly arrived at an agreement in principle.

186. However, the Academy ultimately backed out of the deal. Mr. Mason then presented a new unfavorable deal to Ms. Dugan, and demanded that she accept within the hour.

187. Ms. Dugan did not accept the Board’s revised settlement proposal and, immediately after the time to accept expired, the Board made the blatantly retaliatory decision to put Ms. Dugan on administrative leave.

188. In the email notifying Ms. Dugan that she was being put on leave, Mr. Mason stated that the Academy could no longer “trust” her to keep confidential information confidential. This was a transparent reference to Ms. Dugan’s stated intention to bring claims against the Academy. Put another way, the Board put Ms. Dugan on administrative leave because she threatened to bring legal action.

189. In the same email, Mr. Mason threatened Ms. Dugan with a termination for cause in the event that she disclosed any confidential information. Again, this was a clear reference to the facts underlying her claims. Put another way, the Academy threatened to fire Ms. Dugan in the event that she chose to pursue her legitimate claims of discrimination and whistleblower retaliation.

190. Ironically, it would be the Academy, and not Ms. Dugan, that would ultimately leak damaging information to the press.

**X. THE ACADEMY SEEKS TO DESTROY MS. DUGAN'S REPUTATION BY
LEAKING FALSE INFORMATION TO THE PRESS**

191. In the email notifying Ms. Dugan that she was being put on leave, Mr. Mason wrote, “the Recording Academy does not intend to provide any statement or comment regarding the status of your employment or leave of absence other than, if asked, to say that you have taken a leave of absence and/or that the Recording Academy will follow its usual policy of refusing to comment on private, personnel-related matters and issues.”

192. Despite this assurance, the Board immediately leaked to the press that Ms. Dugan had been “placed” on administrative leave “in light of concerns raised to the Recording Academy board of trustees, including a formal allegation of misconduct by a senior female member of the Recording Academy team.” The Board also leaked that there were two investigation launched.⁶ The news reported that Ms. Dugan had been “ousted” under the suspicion of misconduct, which of course was the Executive Committee’s intent.

193. This explanation was completely false and defamatory.

⁶ The “investigators” were chosen by Proskauer Rose, which is a huge conflict of interest. Moreover, one investigation that apparently was not launched is one into who among the members of the Board or their law firms is leaking the parties’ settlement communications.

194. Ms. Little's purported concerns were absolutely *not* the reason that Ms. Dugan was put on leave.

195. To begin, the concerns had been raised well more than a month prior to Ms. Dugan being put on leave. Yet, she was not put on leave when the allegations were first raised, nor was she put on leave after the Academy's receipt of a demand letter from Ms. Little's lawyer.

196. Instead, Ms. Dugan was only put on leave after raising complaints about sexual harassment and other improprieties, indicating her intent to commence legal action and refusing to settle her claims on terms dictated by the Academy.

197. Moreover, the Board knows very well that the complaints raised by Ms. Little are completely without merit. And, even if the Board genuinely believed that the complaints had merit, they are not the sort of the nature that would ever result in a CEO being put on administrative leave.

198. In sum, Ms. Dugan was accused of acting in a hostile manner towards an Executive Assistant. By comparison, the Board wanted to hire Mr. Portnow as a consultant for the hefty price of \$750,000 after he was accused of raping a woman and making misogynistic comments. Thus, even if Ms. Dugan was put on leave in connection with Ms. Little's claims (and she was not), such decision would simply further highlight the Academy's discriminatory decision making.

199. Finally, if anyone violated Academy policies with respect to confidentiality it was Ms. Little. Indeed, Ms. Little was constantly accessing Ms. Dugan's work email, and attempting to access her personal email, while she was on administrative leave and purportedly unable to work. Ms. Little was not disciplined in any way for this conduct, and yet Ms. Dugan was

threatened with termination in the event that she discloses any “confidential information;” *i.e.*, information that supports her legal claims.

XI. VARIOUS CELEBRITIES COME TO MS. DUGAN’S DEFENSE

200. After news of Ms. Dugan’s leave was leaked, various celebrities came to her defense, including, among others, Chuck D of Public Enemy, Gabrielle Union, Sheryl Crow and Megyn Kelly.

201. Chuck D issued a statement that reads, *inter alia*, “I salute Deborah Dugan for her truth and courage to try and effect change. As always, a bunch of ignorant, testosterone-fueled, usually old white men stop progress and screw it up. Same old bullshit.”

202. Gabrielle Union issued a statement that reads, *inter alia*, “Coulda sworn this is the same board that told women to ‘step up’ Clearly what they really meant was stand down, turn a blind eye to problems, or be fired. #DeborahDugan truly stepped up & tried to make necessary changes & was shown the door.”

203. Sheryl Crow issued a statement that reads, *inter alia*, “What in the world!?! Deb Dugan is a fantastic and brilliant woman.”

204. Megyn Kelly issued a statement that reads, *inter alia*, “What did Grammys CEO Deborah Dugan report to HR re the Grammys that got her fired? Why is a PUBLIC, non profit allowed to muzzle execs who file HR complaints? What’s in her complaint? The public deserves to know.”

XII. MR. MASON ISSUES A FALSE, RETALIATORY AND DEFAMATORY STATEMENT ABOUT MS. DUGAN

205. On January 20, 2020, with the knowledge that Ms. Dugan was about to file this Charge, Mr. Mason penned and published (and leaked to the press) a false, retaliatory and

defamatory letter designed to “get out in front” of the Charge and further destroy Ms. Dugan’s reputation.

206. The January 20, 2020 letter essentially accuses Ms. Dugan of manufacturing legal claims after being put on notice of Ms. Little’s claims. As described herein, that is simply not true.

207. The damage that the Academy has done to Ms. Dugan is immeasurable and can never be remedied.

208. The damage also is continuing in nature. Mr. Mason is currently on a mission to further destroy Ms. Dugan and has been calling prominent recording artists non-stop to disparage and defame Ms. Dugan.

209. The transparently retaliatory nature of the Academy’s conduct, however, is not lost on everyone. Upon the release of Mr. Mason’s January 20, 2020 letter, respected American music analyst and critic, Bob Lefsetz, penned the following letter to an attorney at Greenberg Traurig, Mr. Katz’s law firm:

This is how you pour gasoline on a fire.

Let’s see, published so far are the Grammy payments to law firms. Joel Katz’s firm, Greenberg Traurig, renegotiated the \$20 million a year deal with CBS for the telecast. Good work! Until you find out the firm was paid \$6,309,936 that year, 2016. The firm was paid \$1,758,388 in 2017, the last year for which figures are available. And Greenberg Traurig was paid \$1,167,029 in 2015. What were all these fees for? Negotiating employment agreements, dealing with internal lawsuits? I mean, paying top buck when your budget is only so big...who is making these decisions, didn’t anybody think about hiring inside counsel?

That’s right, Deborah Dugan.

But it wasn’t only Greenberg Traurig. Proskauer Rose made \$906,691 in 2017, and that year, in addition to the Greenberg and Proskauer fees, there was another \$3,737,400 paid out in legal fees!

So, in 2017, the Grammy organization paid over \$6 million in legal fees, who do they think they are, Boeing?

But it gets worse. The Grammys are all about the awards. Who does the nominating?

Well, it turns out it's a coterie of supposed experts. It'd be like a bunch of directors from the sixties deciding who should be nominated for Oscars. Actually, that might be better than what we've got, but the truth is it's undemocratic, and there would be no transparency, the way the music business has liked it since its inception... Come on, can you say "royalties"? But no, the Grammys are run just like the business, opaque.

So Harvey Mason, Jr. tells us Dugan's attorney offered to drop the claims, have Deborah Dugan pack up her bags and go home, in exchange for millions. Are we supposed to be offended by that? Does Mason think we're ignorant musicians who don't understand how the world works?

Dugan signed a contract, lengthy according to her attorney, and I'm sure it includes a provision whereupon the Grammys can fire Dugan for behavior beyond the pale. I'm sure there are even examples in said contract. And when you fire someone for cause, they get bupkes, i.e. nothing. So Dugan takes the gig, gives up a solid gig with Red, moves across the country, gets involved in this imbroglio and is willing to walk away with nothing, stab herself in the heart for the good of the Academy? Give me a break, take a look at Muilenberg's golden parachute. Furthermore, an attorney is an advocate, a representative, their goal is to negotiate, to get you the best deal they can. Isn't that what Harvey Mason, Jr. wants Greenberg Traurig to do, as he is a personal client of the firm?

Speaking of conflicts of interest...

As for the dueling investigations... Does anybody trust these anymore? It's like hiring McKinsey, so you can blame the consultant when things go haywire. And how much are these investigations gonna cost? Quite possibly more than it would to pay Ms. Dugan to go home for good!

And the leaks just keep on coming.

Dugan didn't get along, she didn't play the game.

But she thought she was hired to clean up the mess. Come on, do you think Neil Portnow was gonna do this, the man who couldn't even make nice over criticism of the lack of women being nominated and winning Grammys? Sure, maybe he misspoke, telling women to "step up," but why wasn't he conciliatory to begin with, why even go on the offensive?

Then Mason goes on to defend the Trustees. They work for free, yippee!

Yeah, for free at those meetings in Hawaii.

Mason is as stupid as Portnow when it comes to defending himself.

As for leaks... That's how the world works these days. Hell, we have a President of the United States being impeached and there's been one leak after another, because that's how you get the truth out! Expect more leaks in this case.

As for the Gammy whistleblower, whose name has been leaked, i.e. Claudine Little, who claims the environment she worked in was "toxic and intolerable" and "abusive and bullying"...just ask Amy Klobuchar's assistants, Klobuchar's bad behavior has been well-documented and the "New York Times" just endorsed her for the Democratic nomination for President!

And people are always stunned how business works. This is the territory, and it's not only men, but women too. And it's a fast-moving world of big egos and why in the hell does the unverified statement of one employee put the head of the whole organization on leave?

I'll tell you, Mason was inundated with input from other employees and he's unsophisticated in these matters, never mind aligned with the usual suspects wanting business as usual.

Now if you follow business, boards are responsible for the behavior of the company, for the actions taken. And if Mason is so right, how come we aren't hearing from the rest of those Trustees, i.e. board members, regarding what they think? Oh, they're sucking at the tit and they don't want to give up those perks while working for "free." Which is why companies try to exclude board members who are doing it for the money, that clouds your opinion.

So a kerfuffle has turned into a conflagration.

And let's take the worst case scenario, Dugan yelled at Little.

There's no allegation Dugan hit her. There's no allegation that Dugan fired her. Is this a reason to blow up the Grammys just before the telecast, when everybody is paying attention, which they only do once a year?

Now I don't know what really happened.

But I know more than I did Thursday night.

And as the days go on, I'll gain even more knowledge.

As for those vaunted Trustees, is any of them of the caliber of Chuck D, who defended Ms. Dugan, who has a reputation for telling the truth, speaking his mind?

So they tried to clean up the Grammys, run it legitimately, they even formed a task force to find the best candidate, who turned out to be a woman with experience in the field, and with celebrity musicians. And I wonder how much that process cost. And now Dugan is trying to institute change and it's her fault? And alleged behavior trumps ideas?

If Mason was a leader, he'd accept responsibility and take prompt action. But he won't, he's a typical two-faced musician, making nice to your face and then stabbing you in the back thereafter.

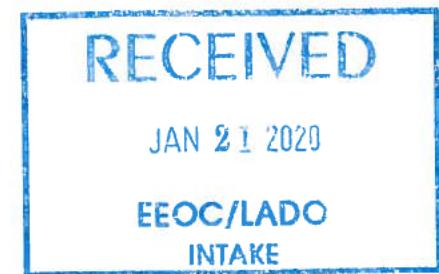
Oh, don't argue. Come on, you know how it works, in order to work a musician has to be nice to everybody, that's how you make it. It's only when you get to the top that you can do things your way. And even if you do, the label might take it out on you...remember George Michael with Sony or Neil Young with Geffen?

Institutions need to be challenged on a regular basis. To stand still is to die. This is how the labels almost lost complete control of recordings with the advent of Napster. And the truth is today they do not have the control they once did, and never will again. What happens when CBS no longer wants to pay \$20 million a year for the telecast? What's the plan then? Oh, you know it's coming.

Yes, the artist has gained traction in the internet era. And Dugan was trying to take the focus off the lifers populating the labels and the Grammy organization and she's the one paying the price.

Only in Hollywood.

Exhibit A





From: Shonda Grant <Shonda.Grant@recordingacademy.com>

Date: December 24, 2019 at 9:50:01 AM PST

To: Deborah Dugan <Deborah.Dugan@recordingacademy.com>

Subject: Re: concerns

Deborah - I've read through your memo a few times now, and bottomline - these are serious issues that need to be investigated.

It's important to me, in my role, that I handle these matters with the care, attention, and sensitivity that they deserve and require...both for your sake and the sake of the Academy. Therefore, unless you've already done so, I'd like to forward your memo to Tony for his advisement, particularly since these concerns involve the EC.

Your conclusion that it is necessary to make these concerns known is an accurate one and one that cannot be ignored.

Please let me know if you'd like to discuss.

Best,
Shonda

From: Deborah Dugan <Deborah.Dugan@recordingacademy.com>
Sent: Monday, December 23, 2019 5:30:44 PM
To: Shonda Grant <Shonda.Grant@recordingacademy.com>
Subject: FW: concerns

To: Shonda Grant
Managing Director, People and Culture (Human Resources)
From: Deborah Dugan
CEO & President of the Recording Academy
December 22, 2019

I am writing this email to briefly outline for you in your capacity as the senior most Human Resources executive some serious concerns that I have had since joining the Recording Academy. To date, I have sought to manage these concerns to the benefit of the Academy, but recent events have led me to conclude that making them known is necessary. Doing so does not come easily. I am deeply committed to the success and healthy growth of this non-profit. Yet, encouraging candor from others when they witness troubling or alarming behavior requires the same from me – especially as the CEO.

I am writing this note not for you to take any action at this time, but to have on record that the following events occurred, and that these events have given me serious pause for concern and in some instances made me feel uncomfortable and unsafe.

An initial insight that I needed to be concerned occurred prior to starting my job at the Academy. When the Board voted to have me be CEO, the Executive Committee was tasked, under great confidentiality, to negotiate a contract with me. Somehow, that I was to be the next CEO of the Academy was leaked to the press which wreaked havoc in my life as I had not informed my children, my current employer/ team or my many media industry partners. I was told at the time that only the Executive Committee and the company's lawyers knew of my selection. When I inquired as to how my name was "leaked" to the press, I was told members of the senior Academy management that such leaks were typical behavior since our lawyers not only represent the Recording Academy, but also represent industry publications who expect such inside information. I also learned at that time that the Academy lawyers also represent many of its Board members, and members of the Executive Committee in particular. Before I was even hired, I became concerned about such flagrant conflicts of interest.

Furthermore, prior to my hiring, I was asked to come as a guest to the Board of Trustees meeting in May, 2019, in Laguna Beach. Joel Katz, Esq. contacted me ahead of time and asked that I have dinner with him alone the night before the meetings began. He selected an expensive restaurant and I was taken aback when he ordered an outlandishly expensive bottle of wine. I was made uneasy by the many times he commented on my appearance and said how pretty I was. He repeatedly called me "Baby". Needless to say, I found his behavior disconcerting and utterly inappropriate.

Over the course of the evening, Mr. Katz explained to me that he was very very rich and had many houses, one in Bermuda and other locations. And he reminded me that he had a private plane and informed me that he was lonely and had no one to spend time with. He suggested that spending time together, traveling to his many homes could be something nice for us to share. He talked about his marriage that had failed. I listened politely but made it clear I was not interested in his advances. At the conclusion of dinner, he leaned forward, lips pursed, as to kiss me. I quickly turned and made my way out of the restaurant.

Mr. Katz's comments about my looks and suggestive remarks have continued unabated since our first meeting at the restaurant in May.

In the course of that meal, I relayed to Mr. Katz that I had reviewed the Academy's finances and found that his and other legal bills for a not-for-profit of this size seemed exorbitant. I questioned why there was no in-house lawyer as is customary. I relayed that having an in-house attorney made sense to me and was something I wanted to explore once I started. He agreed with me on my assessment.

These disconcerting dynamics gave me a sense even before I was formally hired, that something was seriously amiss at the Academy and sure enough in my past 5 months of employment my instincts have proven accurate indeed. Here are a few examples:

- The conflicts of interest on the Executive Committee are beginning to appear egregious. For example, I made it plain to the Executive Committee that lowering the millions of dollars of legal fees was a priority for the Academy in 2020. However, despite my expressed concerns, during the November board meeting, after I was abruptly asked to leave an Executive Committee meeting, the Executive Committee voted to raise legal fees. The Executive Committee members were well aware of my and the CFO's concerns about the exorbitant and unnecessary fees but decided to raise those fees even further. The fact that counsel who are receiving these unwarranted pay increases also privately represent those who are approving those increases over the objection of the CEO and CFO indicates serious fiduciary irresponsibility.
- I have also discovered that board members have approved payments to themselves in the amount of hundreds of thousands of dollars to oversee aspects of the Academy and Grammy events that do not need their oversight. For example, an Executive Committee member receives \$100,000 for Grammy services provided by an outside production company.
- Furthermore, I discovered that the prior Board chair's John Popo's brother manages the Academy's \$90 million endowment. I have expressed concerns about this conflict of interest and intended to formally address the issue in 2020.
- The Trustees are also intimately involved in the Grammy Voting and Awards process. There are irregularities and conflicts with the current Nomination Review process that must be addressed. I have shared this concern with the Executive Committee.
- Last, I was asked to please grant my predecessor, Neil Portnow, with a \$750,000 consulting fee. I denied this. I was not told at the time that there was a sexual harassment claim made against Neil. The Executive Committee knew about this claim, but did not share the risk to the Academy with the Board.

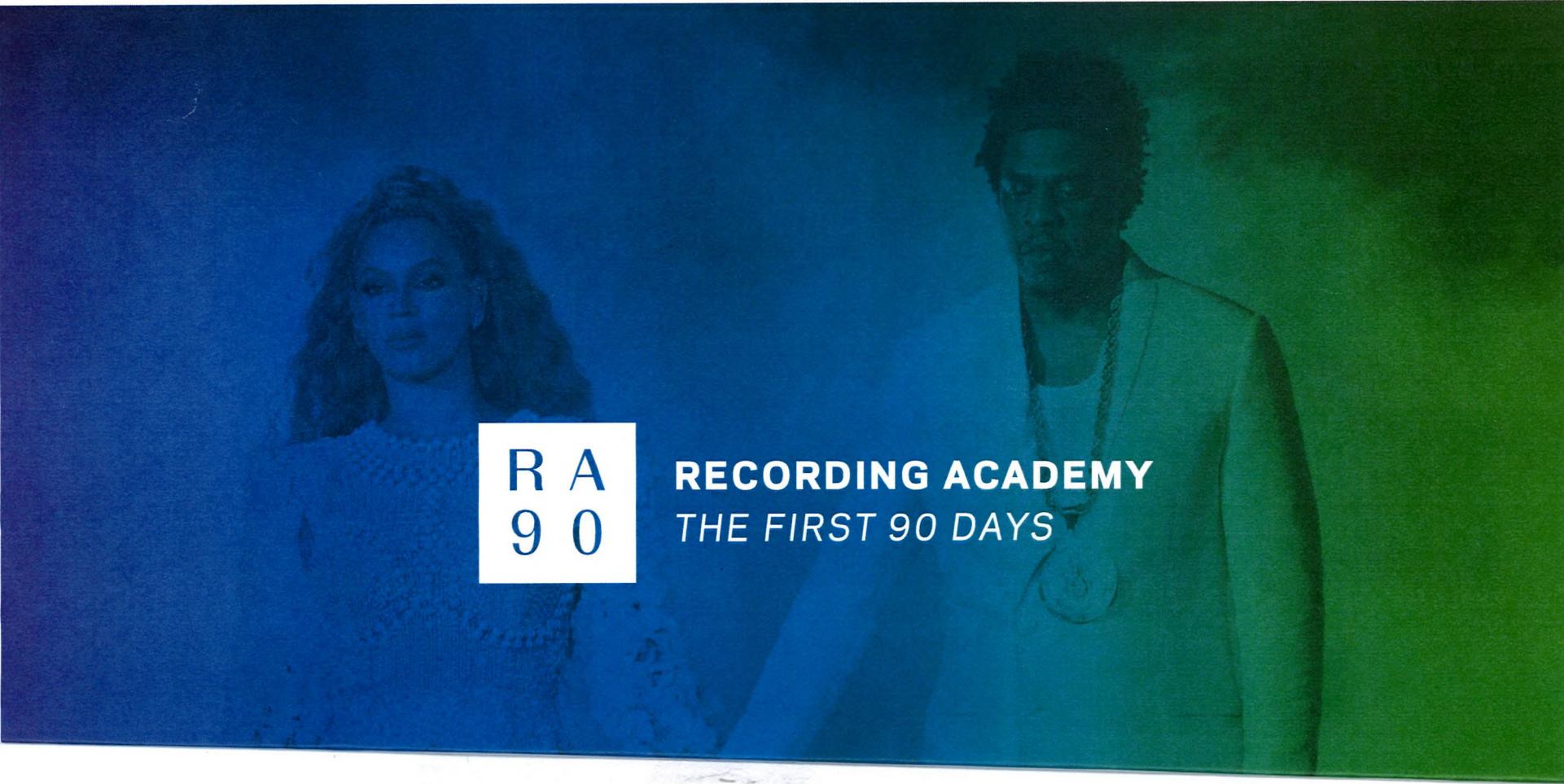
Finally, let me address the prevailing issue with Claudine Little. As you are aware, you and I with help from outside counsel have worked together to manage Claudine's leave of absence. And as you will recall, we agreed that we wanted Claudine to continue contributing to the Academy, albeit in a different role than Director of Administration, possibly as Assistant to the new Executive Director of MusiCares or Director of Board Relations under soon to be hired SVP of Communications. However, these plans have been put on hold given her leave of absence and you were attempting to communicate with Claudine about what options she would like to pursue.

What we didn't know until recently is that members of the Executive Committee were in direct communications with Claudine apparently offering her guidance and support and fostering an atmosphere that has invited the recent baseless legal action. We also didn't know that the claim letter sent by Claudine's lawyer was not forwarded to either of us immediately but was only brought to our attention when we learned of the action from a third party. Furthermore, what we also didn't know was that Claudine and possibly her legal counsel were given access to the Academy's computer system and have been illegally reading confidential correspondence from my and your offices.

The issue that is of concern here is the unusual active and sustained interest the Executive Committee has taken in what amounts to a routine Human Resource issue – the simple redeployment of an executive assistant. There appears to be a manufactured crisis shaped by the Executive Committee's unseen contacts with Claudine. While you were managing this routine – and admittedly sensitive – personnel matter, the Executive Committee was apparently encouraging - and possibly orchestrating circumstances – to my and potentially the Academy's disadvantage. The fact that the Executive Committee has chosen to manufacture this crisis to my distinct disadvantage raises some serious questions of their creating a hostile and retaliatory work environment in order to derail my efforts at addressing serious fiduciary irregularities and concerning conflicts of interest.

Let me close with a simple observation. In my efforts to successfully resolve the many outstanding lawsuits facing the Academy that I inherited, one of the claimants characterized her experience of our organization's leadership as "...*it's a boy's club and they put their financial interest above the mission....*" At the time, I didn't want to believe it, but now after 5 months of being exposed to the behavior and circumstances outlined here, I have come to suspect she is right.

Exhibit 2



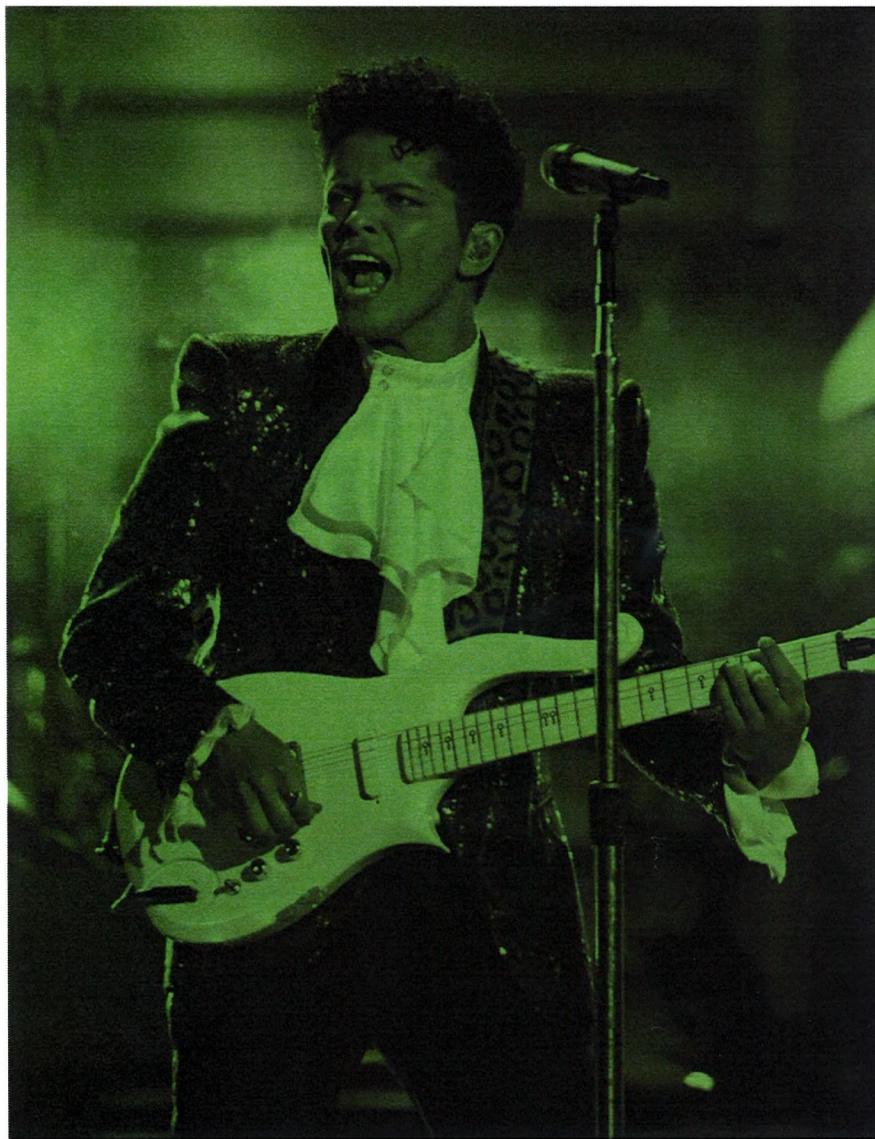
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RECORDING ACADEMY
THE FIRST 90 DAYS

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LISTENING





LISTENING

DISSENTERS

ARTIST / MANAGERS

LABEL EXECUTIVES

FOCUS GROUPS

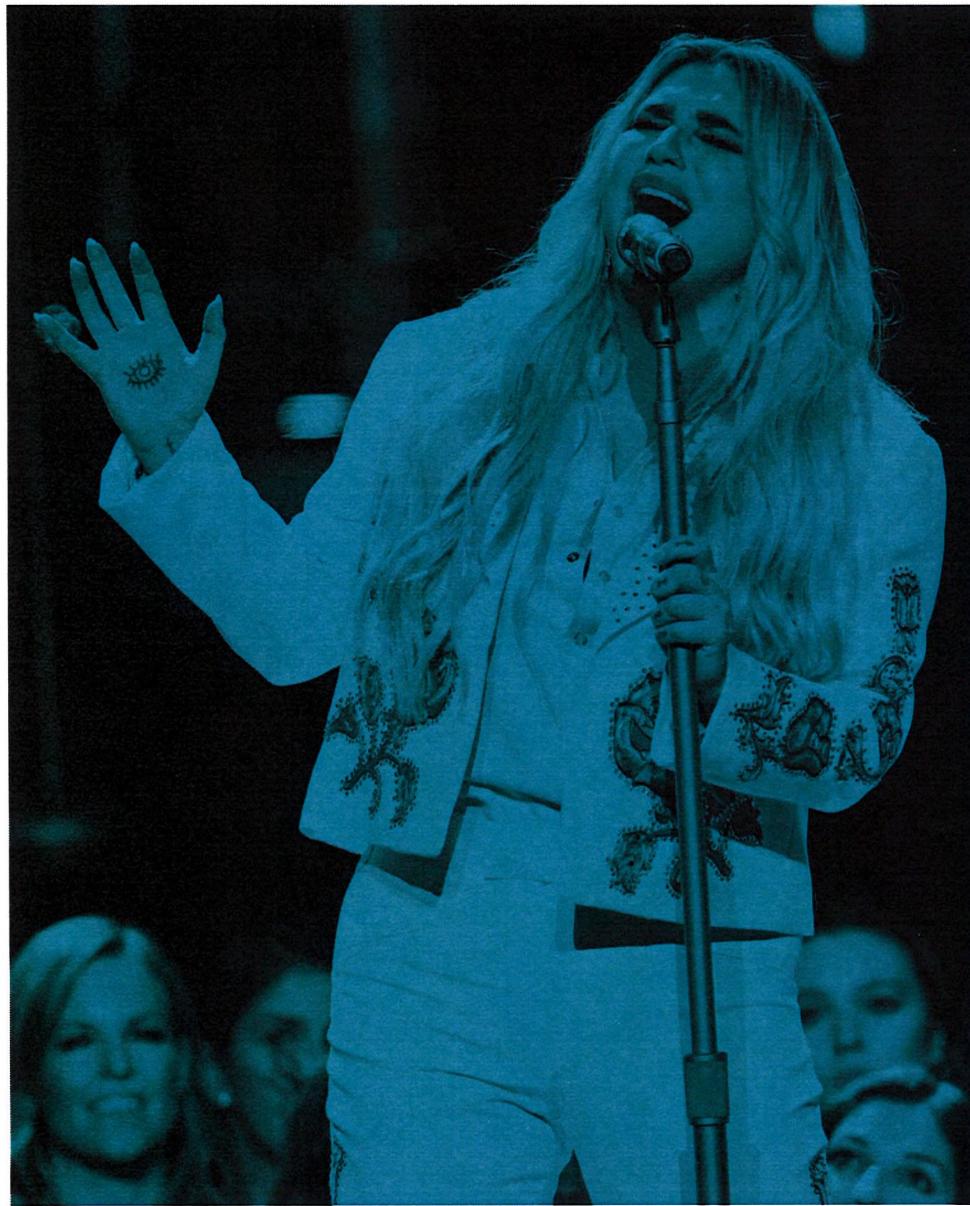
DEEP DIVES BY DEPARTMENT

ALL STAFF MEETING



RA
90

CULTURAL SURVEY



PART 1

WHAT ARE WE HEARING FROM THE TEAM?

OURS ARE "...NOBLE GOALS
AND THEY INSPIRE ME TO DO
MY BEST EVERYDAY."

OUR EMPLOYEES ARE PROUD TO BE PART OF THE TEAM



92% of Recording Academy and MusiCares say they are proud to be affiliated with the organization

- "...seeing the artist community be so touched by our brand and what we do is what inspires me... lending our resources, staff and time to help disenfranchised artists."
- "...the Academy stands for **THE BEST OF THE BEST** in the industry that I love. It combines education, advocacy, philanthropy, and recognition of music, which is an absolutely beautiful thing..."
- It's inspiring "...giving artists that represent minority and marginalized communities **A VOICE** and platform..."
- It's inspiring "...giving creators in all stages of their career an opportunity to be seen by one of the biggest brands in music..."
- "...it is about paying homage to **CREATIVITY**..."

Yet, as leaders we have work to do?

BUILDING TRUST AND CANDOR

78% are doubtful or unsure about how we trust one another

- Too often we have "...an environment of idle chatter and toxic gossip that goes unchecked...and transparent communication, trust and respect are compromised..."

Why is trust so important?

To be creative, employees need to have confidence that's its worthwhile to:

- Work through conflicts and disagreements
- Express their views and insights
- To take smart risks
- To contribute beyond what's expected
- To commit to high standards
- To excel

"A hallmark of a healthy creative culture is that its people feel free to share ideas, opinions and criticism... put smart and passionate people in a room, give them a problem to solve and encourage them to be honest and open with each other..."

— ED CATMULL,
former CEO of Pixar
on establishing "Braintrust"

BUILDING TRUST AND CANDOR

63% feel their voice doesn't matter or aren't sure they are being listened to

74% don't feel understood by management or are not sure if they are understood

"...the organization is intensely **TOP-DOWN AND SILOED**...senior management doesn't listen to us down in the organization...and communications across functions is "cagey"... rigid...stifled...too much is based on structure not collaboration and accountability..."

Bottom line: Listening reveals a core leadership challenge:

How do we build trust, candor and collaboration throughout the organization, empowering "smart passionate people" to have creative impact?

Yet we have a lot to build on.

UNLEASHING OUR TALENTS AND CREATIVITY



83% of Recording Academy and MusiCares employees want to contribute more

Management should consider "...cross functional (teams) to understand opportunities for growth."

"...idea sharing forums for those who aren't senior management."

"...tear down the walls that keep our departments so siloed...facilitate more collaboration."

"...the organization is intensely top-down...(we) would love to participate more in strategic thinking..."

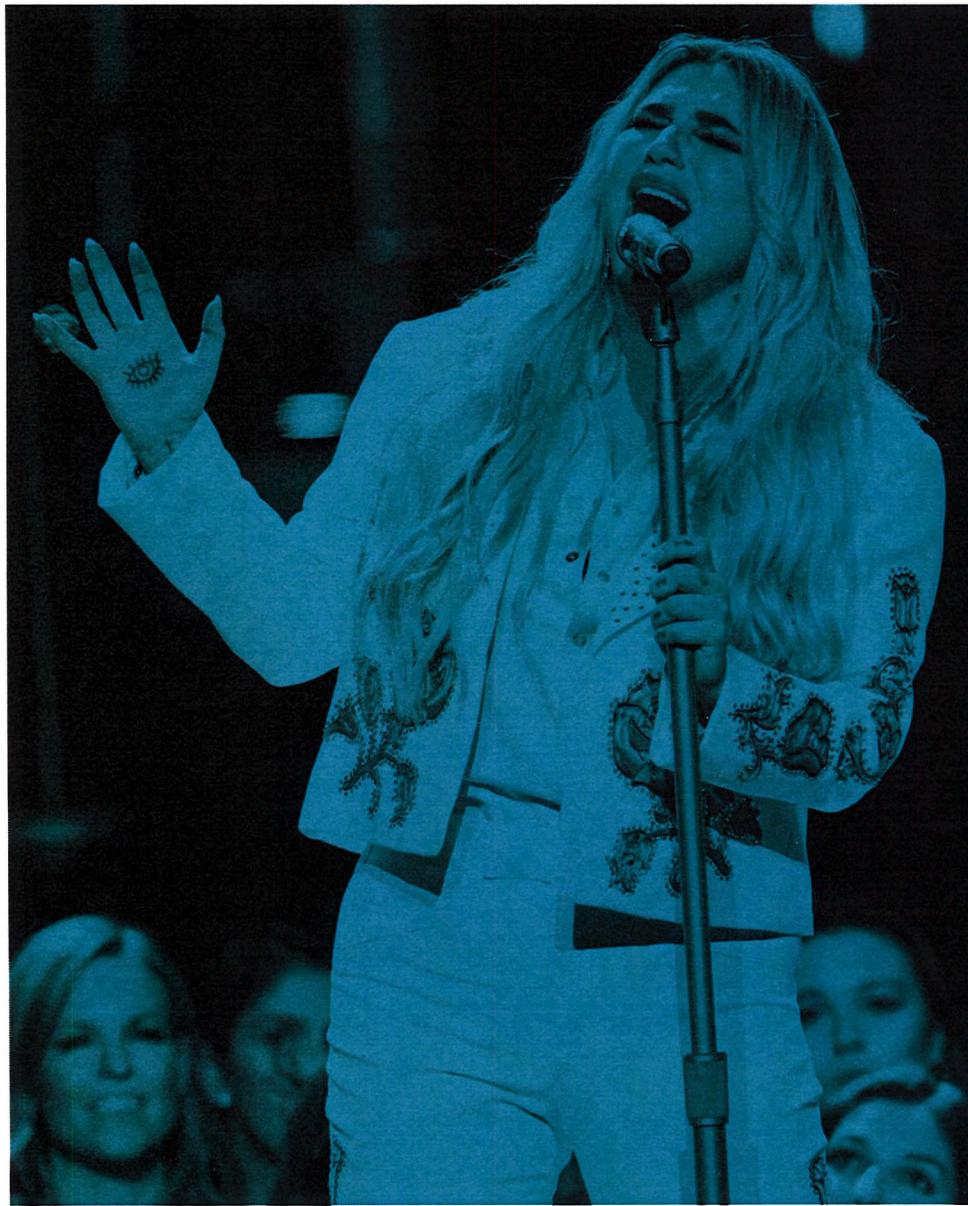
"...IT'S NOT TIME TO THINK OUTSIDE THE BOX. IT'S TIME TO DEMOLISH THE BOX
and be revolutionary in our thinking and strategies..."

**This desire to contribute more is a powerful untapped resource making it
a major 2020 priority to unleash, focus, and empower these talents**

THERE IS A SHIFT ON THE HORIZON

Drawing on	We empower
A well articulated strategic vision	Talented employees to have creative impact
A well-organized management empowering creativity	Agile innovative, accountable teams
The skills of a core leadership team	Committed communities of artists, music professionals, business partners, and employees
Our governance organization and noble tradition of artistic excellence	Our brand to inspire music professionals and audiences for decades to come

Now, lets take a few moments to listen to ourselves

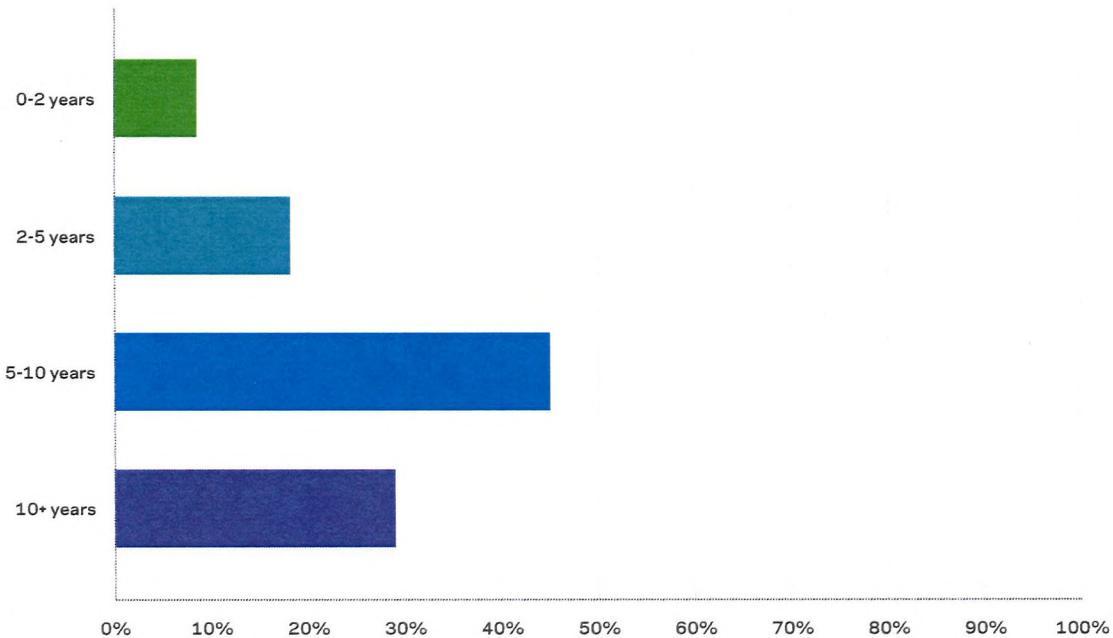


PART 2

BOARD PULSE SURVEY

27 TOTAL RESPONSES

HOW LONG HAVE YOU BEEN AN ELECTED LEADER FOR THE RECORDING ACADEMY?

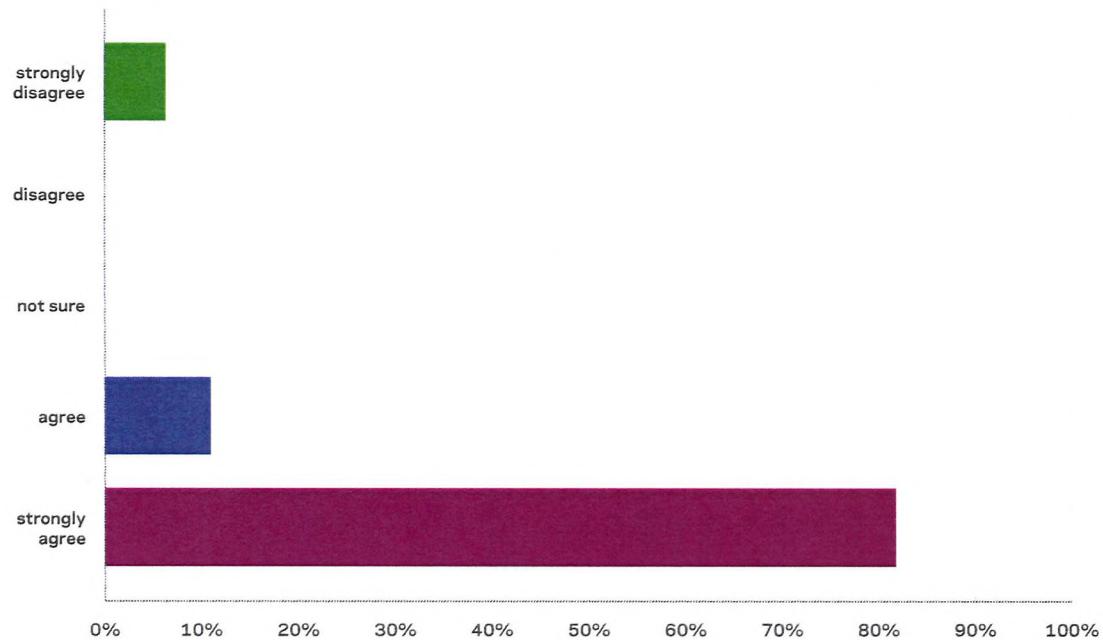


KEY TAKE AWAYS

30% of you have been on this board for 10+ years

74% have been here 5+ years

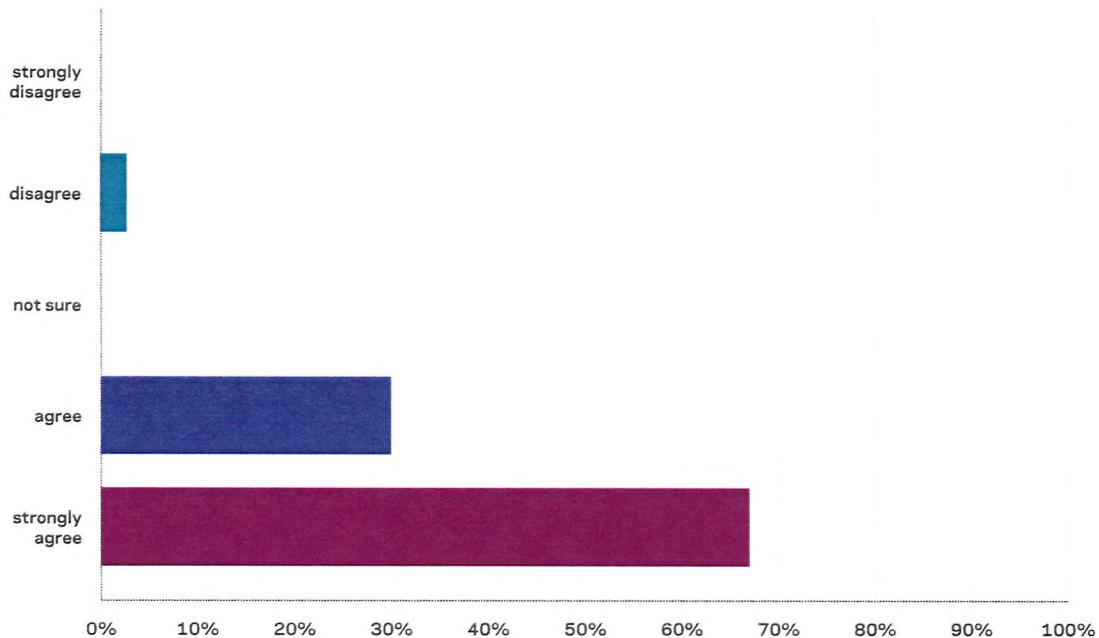
I AM PROUD TO SERVE ON THE BOARD OF THIS ORGANIZATION



KEY TAKE AWAY

Over 90% agree that you are proud to serve on the board

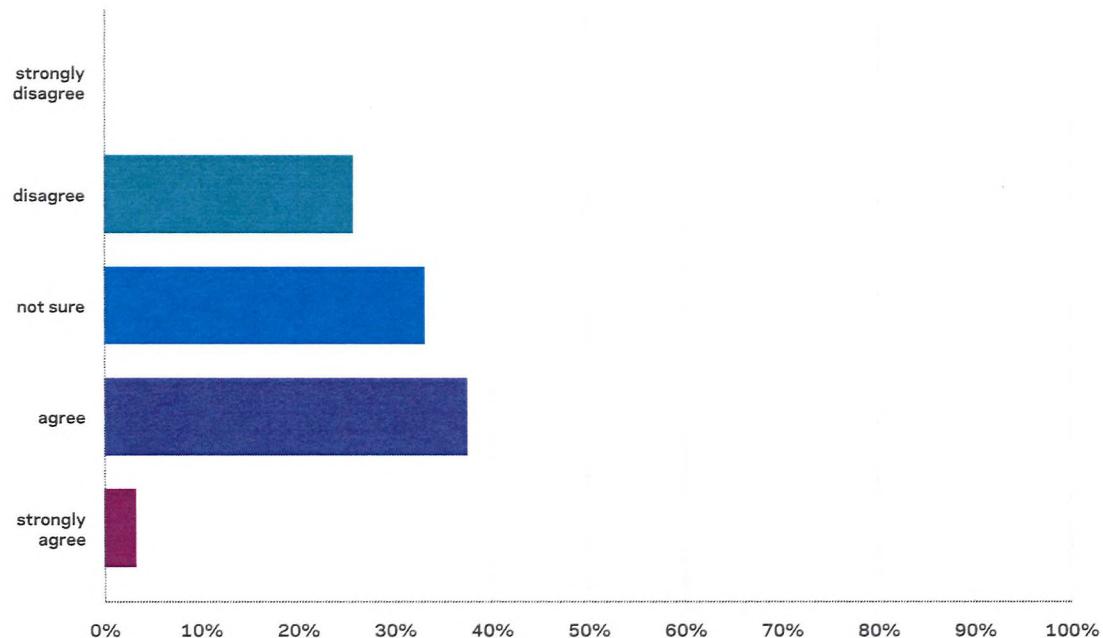
I UNDERSTAND WHAT IS EXPECTED OF MY ROLE ON THE BOARD



KEY TAKE AWAY

97% of you understand what is expected of your role on the board

BOARD MEMBERS GENERALLY TRUST EACH OTHER AND THE RECORDING ACADEMY STAFF



KEY TAKE AWAYS

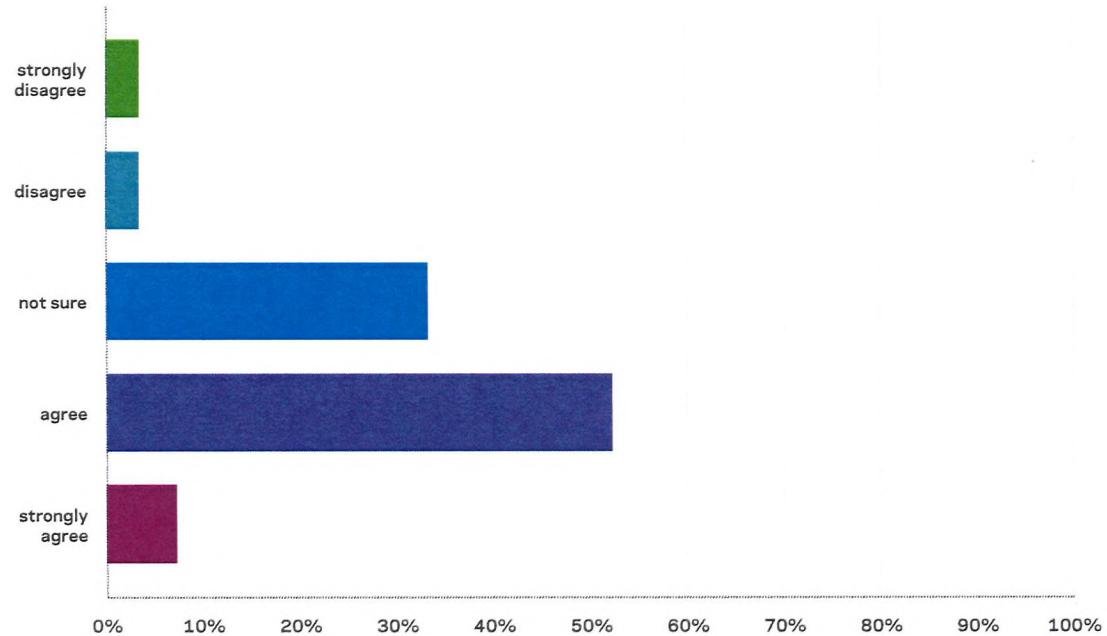
60% of you either don't trust (or are not sure there is trust) amongst yourselves and the staff

When we look at employee survey, 78% either feel there is no trust

Why is this?

The key with trust is the ability to be candid and open with one another.

THE BOARD UNDERSTANDS THE CHALLENGES THAT THE ORGANIZATION FACES

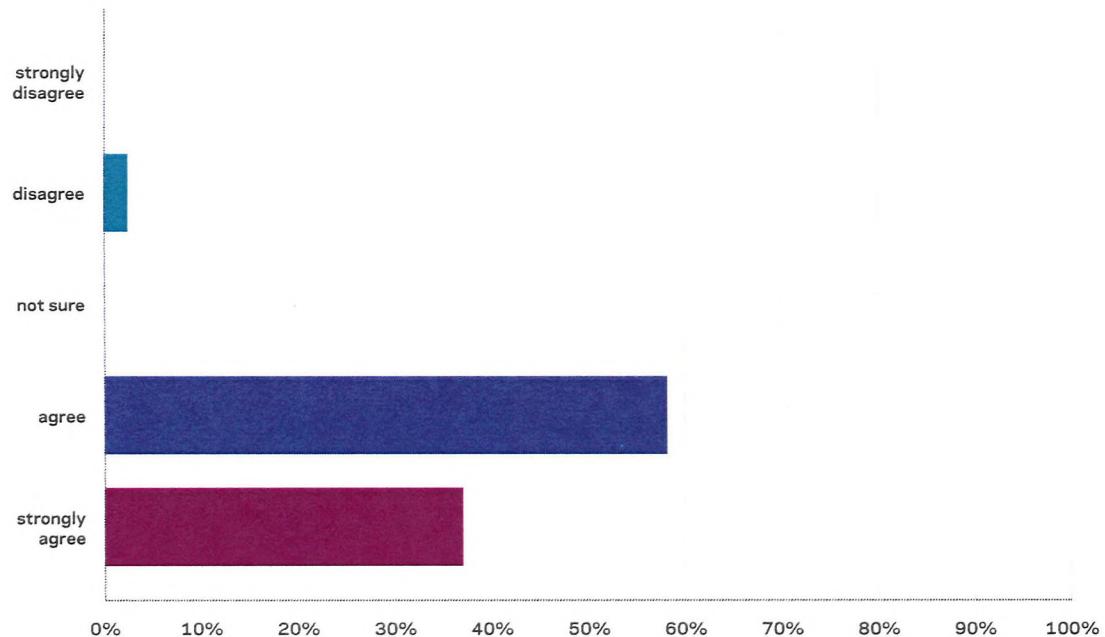


KEY TAKE AWAYS

Almost 60% of you understand the challenges the organization faces

Yet 74% of employees don't feel understood by management

I AM TREATED RESPECTFULLY



KEY TAKE AWAYS

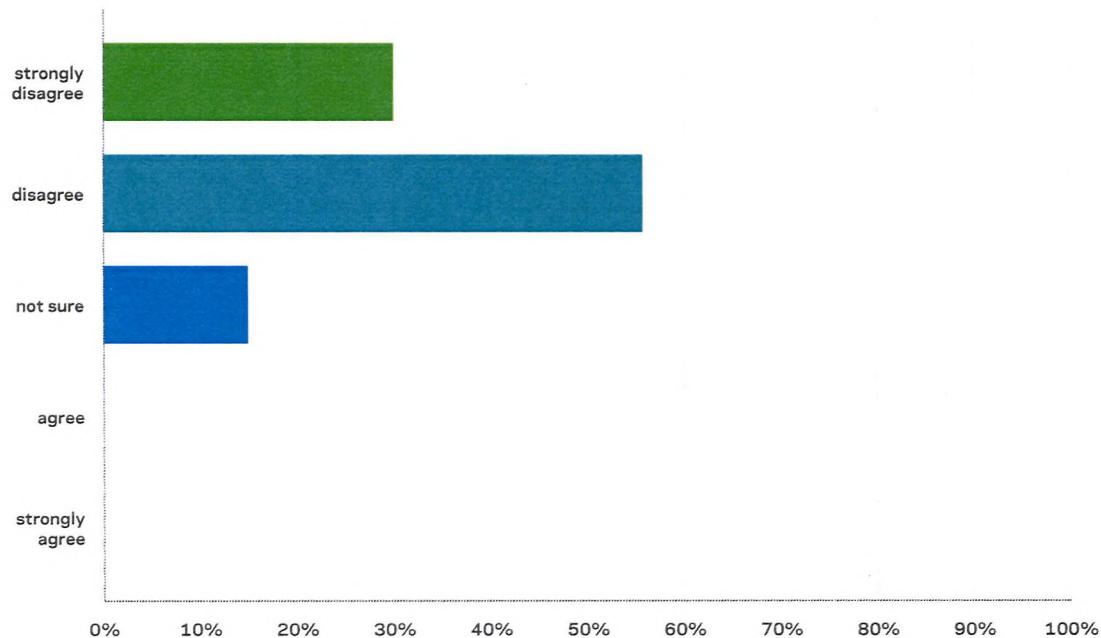
96% of you feel you are treated with respect

Almost 70% of RA employees feel respected

Respect is an important dynamic—it speaks to the possibility of accelerating change.

We have an opportunity for change and diversity.

THE BOARD OPERATES WITH A HIGH DEGREE OF SPEED AND AGILITY

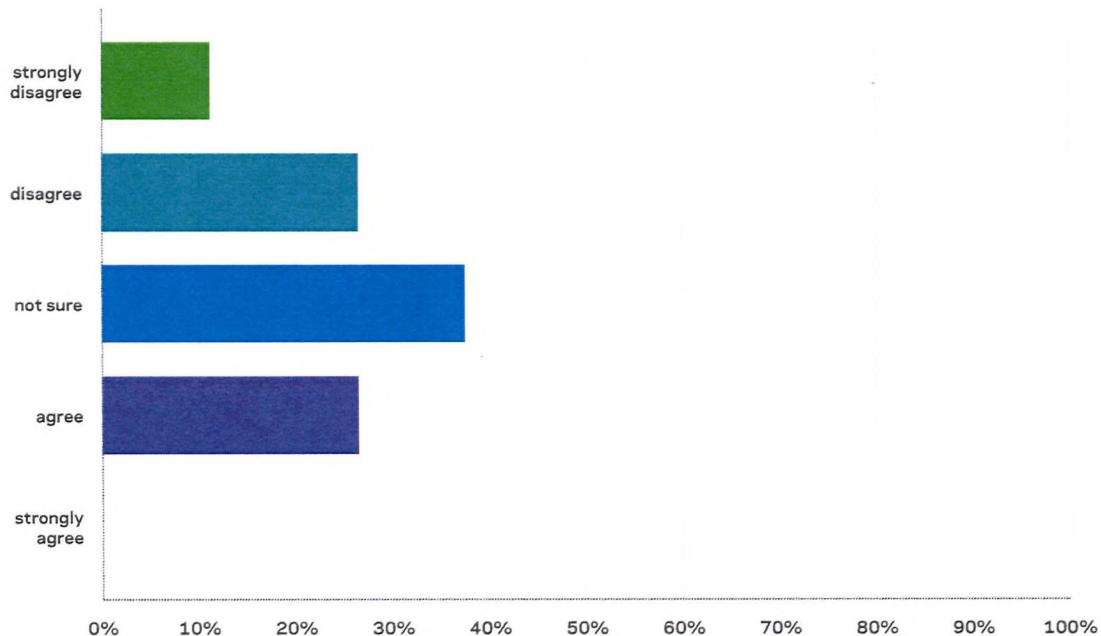


KEY TAKE AWAYS

100% don't believe (or are unsure) the board is efficient and agile

We need to be *agile* to adapt quickly, see trends, understand stakeholders, and stay relevant

THE BOARD IS FLEXIBLE AND DEMONSTRATES A WILLINGNESS TO CHANGE



KEY TAKE AWAYS

There is significant disagreement as to whether or not this board is flexible and willing to change.

*Tension is good.
We need to change.
Let's change together.*



RA
90

WHO ARE WE?

BRAND MESSAGING

RECORDING ACADEMY

Music is the original melting pot—a unifying blend of creeds and cultures like no other.

It tells us about our differences.
It shows us how we're all the same.

Music is for everyone, and the Recording Academy is for everyone who makes music.

You are our passion.
The ones we give to.
The ones we fight for.
The ones we celebrate.
The ones we hope to inspire.

Music unifies us, and together we stand—as one—for music.



ELEVATOR PITCH

The Recording Academy is a not for profit
that represents and is service to music makers.

We have a membership—an army—that is 21,000 strong.

We focus on **service** (music education and
MusiCares programs), **advocacy** (ensuring music
creators are fairly paid), and **recognition** of this
great art (culminating in the GRAMMYs).

Our north star is the artist, the creator, and their songs.

They inspire the best in humanity.
Without them, there is no music;
without their music the world would be silent.

We don't want to live in that world.

VISION (DRAFT)



Music is for everyone.

We are for everyone who makes music.

We stand as one for music

Keep music alive and thriving.

Service. Advocacy. Recognition.

Build a service first organization

Create a culture of diversity

Unleash creativity and imagination everyday

Implement an impact mindset

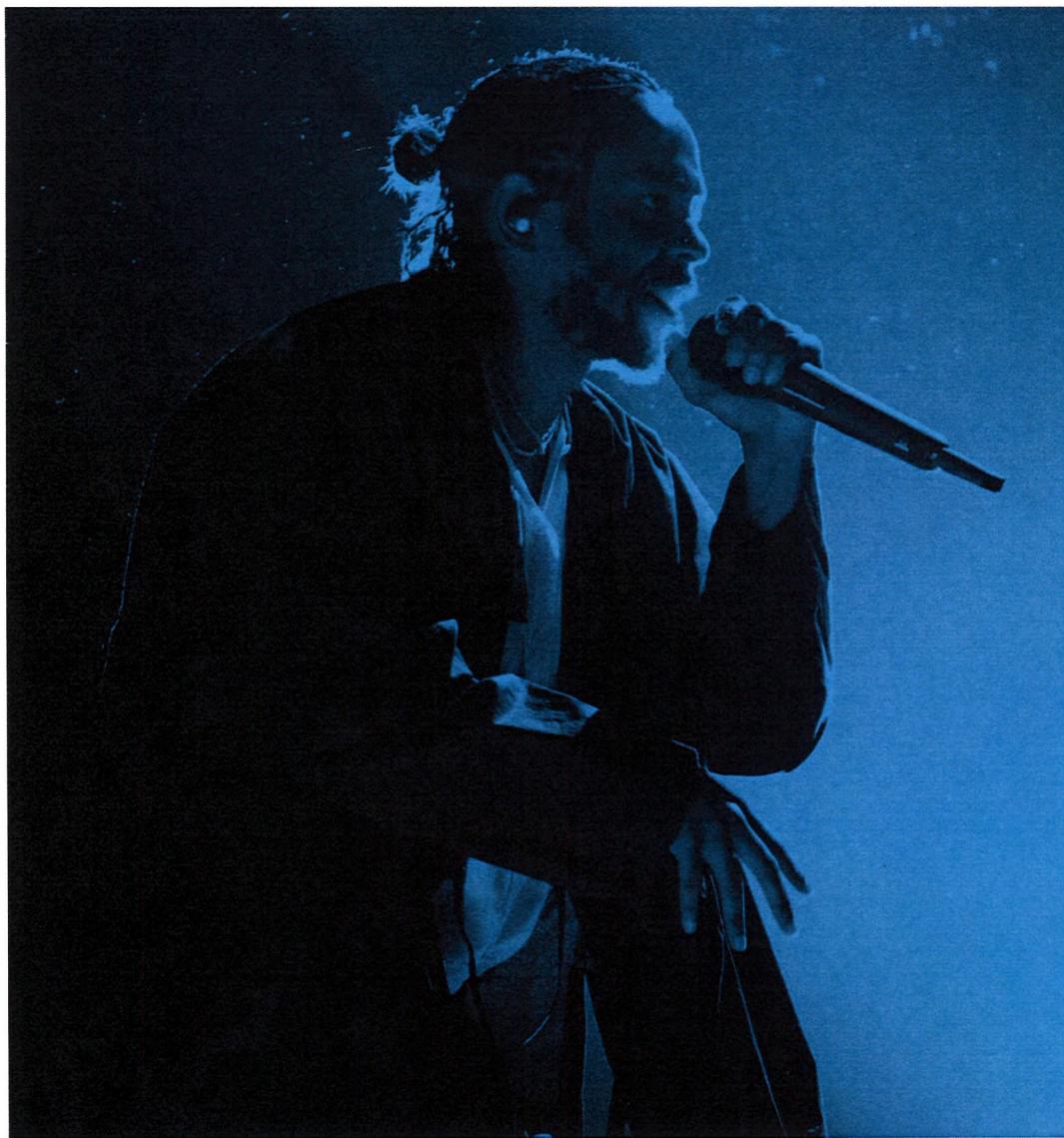
3 year strategic plan

Focus on creative and business imperatives

Activate and engage membership

Align key internal and external stakeholders

Hold ourselves to account



KEY PILLARS

SERVICE

ADVOCACY

RECOGNITION

KEY PILLARS

SERVICE

Support & Inspire

Music Education

Helping educators inspire our children, the next generation of creators

MusiCares

Safeguarding the health and well being of the music community

ADVOCACY

Protect & Elevate

Fighting for Creators' Rights

Ensuring that music remains an indelible part of our culture

Amplifying music's collective voice on Capitol Hill and empowering creators to stay engaged and active on a grassroots level

RECOGNITION

Celebrate & Honor

Recognition of the Artistry

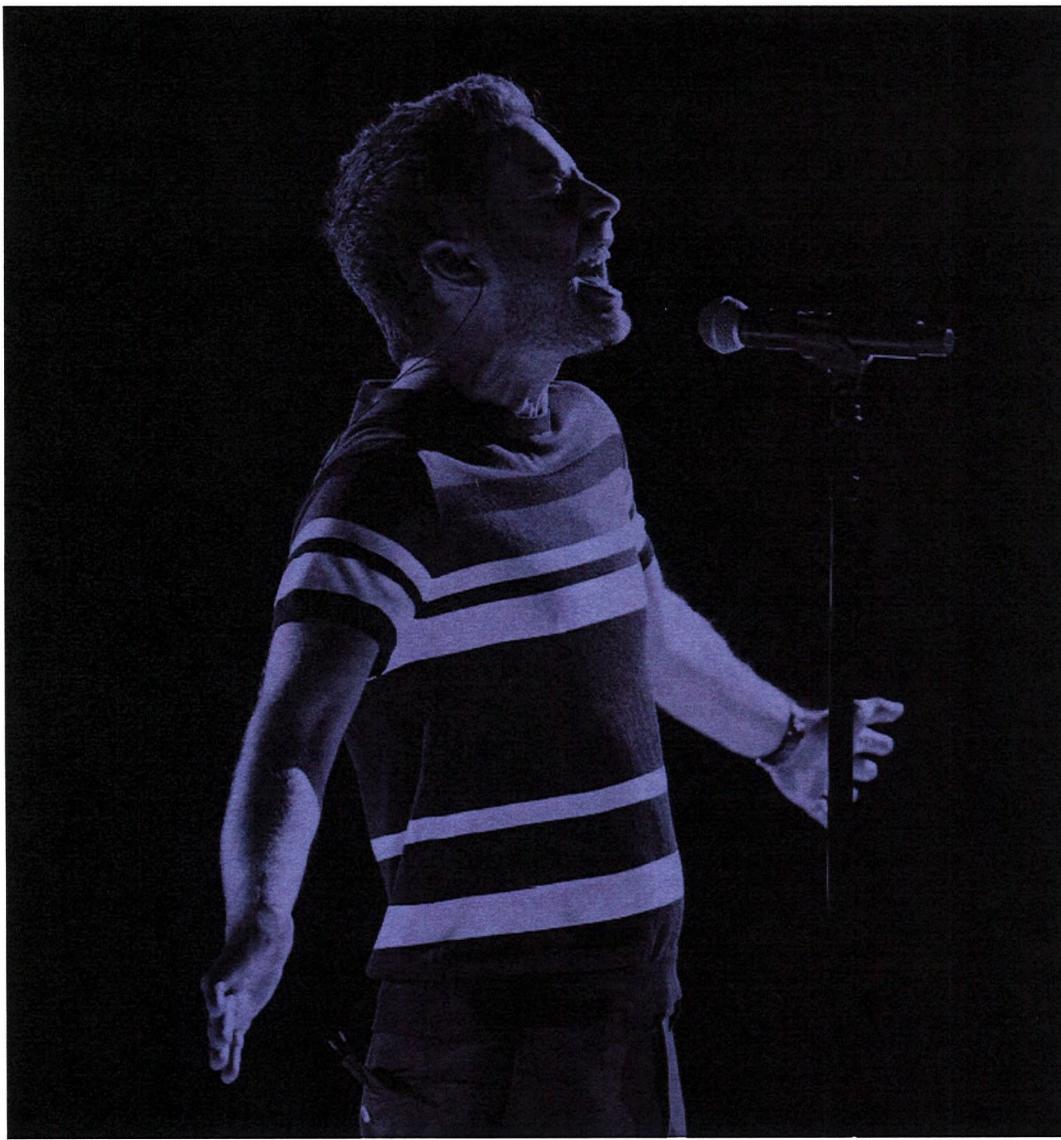
Embracing diversity, inclusion, and collaboration

Representing voices—loud or unheard

Celebrating excellence of this craft

R A
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SERVICE



SERVICE

MUSIC EDUCATION

MUSICARES

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SERVICE:
MUSIC EDUCATION

CURRENT MUSIC EDUCATION INITIATIVES

YOUTH & CAREER FOCUS

HIGH SCHOOL
GRAMMY CAMP
(130 A YEAR)

MUSIC EDUCATOR
AWARD

MUSIC PROFESSIONAL
TO SCHOOLS

PROVIDE MUSIC TEACHERS

MUSIC TEACHER
DEVELOPMENT

AWARENESS
IN COMMUNITY

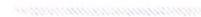
PROVIDE RELEVANT
CURRICULUM

GRANTS FOR
VARIOUS PROGRAMS

STUDENTS TO
THE MUSEUM TOURS

GRAMMY CAMP WEEKEND
CAREERS IN
MUSIC INDUSTRY
(480 STUDENTS)

MUSIC EDUCATION OPPORTUNITIES



- Recording Academy Education initiatives are unfocused and diluted
- GRAMMY Museum Education Foundation is not reaching enough students to make an impact nationally
- GRAMMY Music Education Coalition is a licensed entity that offers prospect of leveraging and partnering with existing programs —reaching more students in local areas, with less investment and greater support
- Opportunity to truly create a coalition, which allows these programs to garner consistency and growth.
- We can mobilize our members to donate time at local schools one day per year—perhaps during Music Education Month (March).

RECORDING ACADEMY MUSIC EDUCATION INITIATIVES

GRAMMY Music Education Coalition

A non-profit collective, GRAMMY brand licensed organization w/ RA paid Board Seat

We envision a world where all public school students can participate in high-quality music education—no matter where they live.
You can help make it happen.

grammymusiced.org

RECOMMENDATION

We have a more active role with them on their Board.

GRAMMY Museum Education

GRAMMY Camp
Music Educator Award

Museum Based
School Tours
Sensory Saturdays
GRAMMY Career Day

grammymuseum.org/education

RECOMMENDATION

We provide more focused high impact efforts and embrace and collaborate with the Grammy Music Education Coalition.



ELEVATOR PITCH (DRAFT)

.....

Music Education

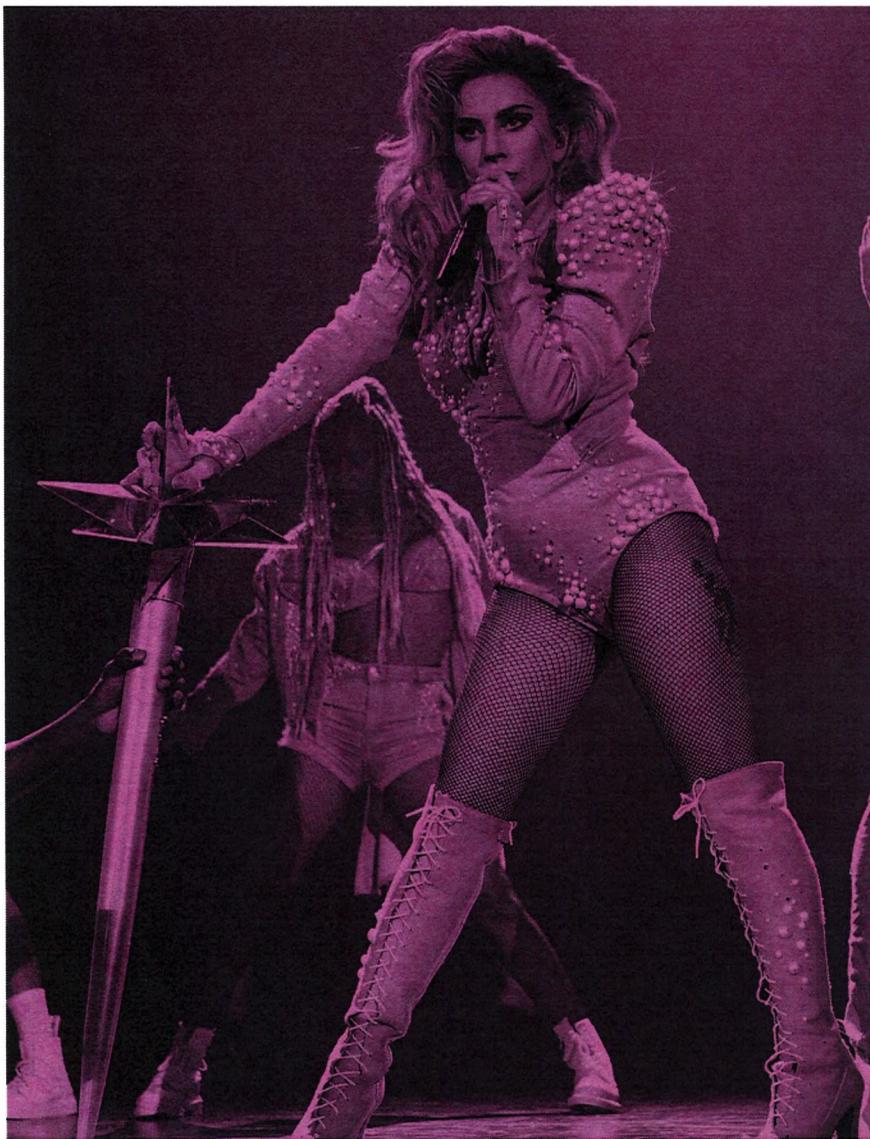
We know that wonderful things happen when youth have access to music education.

That's why we provide music teachers with relevant curriculum in underprivileged schools.

It is our goal to have students play, make, mix, and perform their way to a better future—everywhere and everyday.

By sending artists and creators back to their community schools, we will encourage and inspire the next generation.

From GRAMMY Camps to recognizing music entrepreneurs, we will not rest until each child has access to a quality music education.



GRAMMY MUSEUM

Confidential Thoughts

Strong Artistic Director

More diverse representation
and relevance

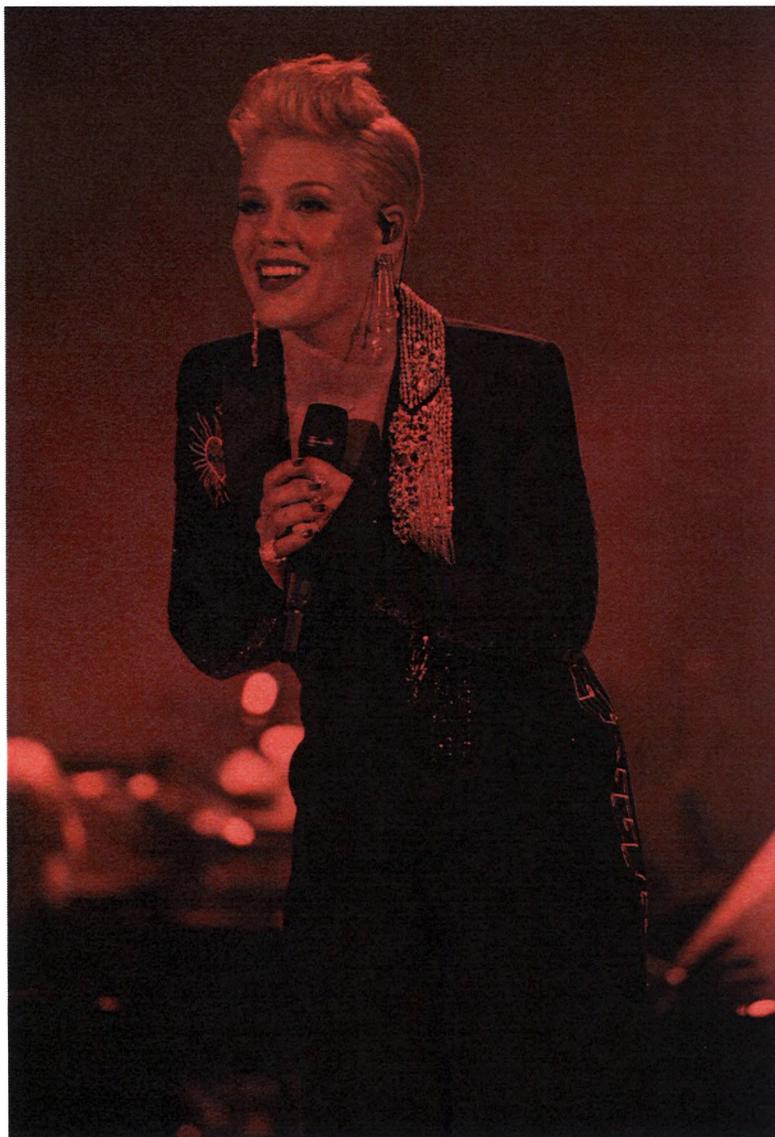
Explore new business model

Goal: Top 5 things to do in LA!

A black and white photograph of a woman singing into a microphone. She has her eyes closed and is wearing a dark jacket over a patterned top. The background is a solid reddish-orange color. In the bottom left corner, there is a small white rectangular box containing the letters "RA" above "90".

RA
90

SERVICE:
MUSICARES



MUSICARES

You made the song that became our road trip;
that got us over the finish line; through the breakup.

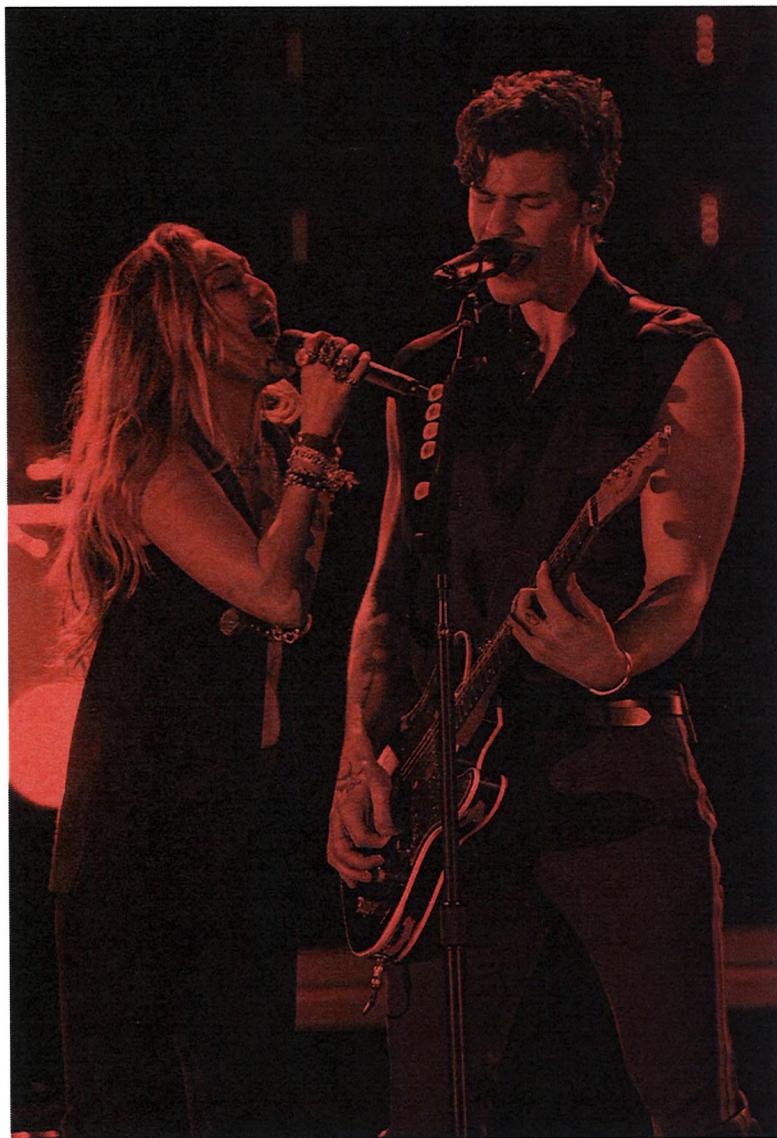
The song that changed us.

You are the musicians, writers, engineers, producers
and all the others who pour your hearts into stirring our souls.

We know a life in music isn't always easy, that many
of you toil tirelessly without expectation of fame
or riches, that some may fall on hard times.

That's why MusiCares recognizes the humanity
behind the industry. The human behind the artist.

**Your work improves our lives.
Our work is to improve yours.**



MUSICARES: WHAT IS WORKING

Beloved organization

High level of client impact

Fills unmet need and does not duplicate
help received from other sources

Process is welcoming and easy to manage for our clients

Highly trained and certified health
and human services team

Person of the Year is a coveted event

We are a 4 star charity

CHALLENGES

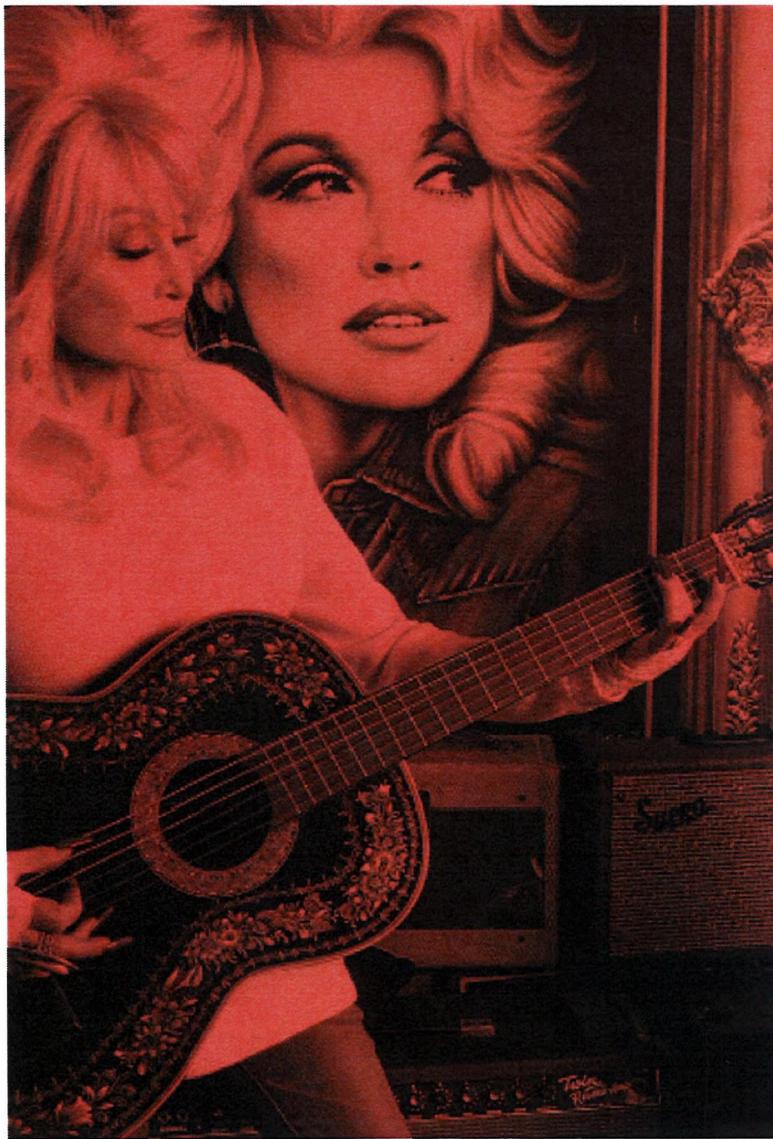


Internal

- Lack of focus and leadership
- Insufficient strategy and structure
- Under-staffed and low morale
- Not realizing the historic levels of funding
- Limited measurement impact

External

- Low awareness
- Perception that MusiCares is an event, not a mission
- Musicians seen as rich
- Viewed as addiction-only organization
- Members not actively involved
- Lack of emotional connection with wider audience



WHAT WE NEED TO SCALE

EXECUTIVE DIRECTOR

DEVELOPMENT DIRECTOR

MARKETING & PR

NEW BASELINE FOR MEASUREMENT

RA
90

UNDERLINING ALL WE DO MEMBERSHIP ENGAGEMENT

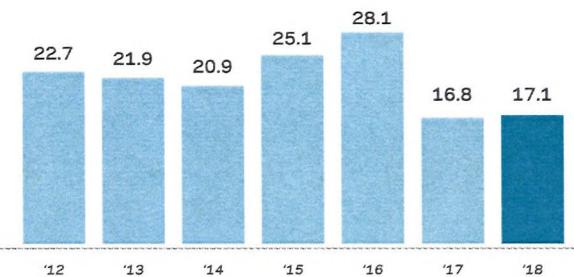
RECORDING ACADEMY MEMBERSHIP

Who We Are Today	Who We Need To Be
20,705 Music Creators, Professionals, and Students	20,705 Music Creators, Professionals, and Students
Not all members qualified	100% of members qualified
Way more male than female	50/50 Gender Balanced
Not reflective of the music industry today	Diverse in every way—culturally, ethnically, genre and by age
Not known as fresh or relevant	Ambassadors, Trendsetters, Tastemakers, and Music Visionaries
Small subsets heavily engaged	All active and engaged for the mission

WE ASPIRE TO A DIVERSE AND INCLUSIVE MEMBERSHIP

A recent study of Popular Music by the USC Annenberg School shows us the roadmap

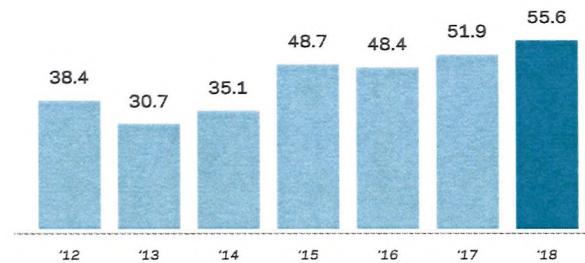
FEMALES ARE WOEFULLY UNDER-REPRESENTED IN TODAY'S MUSIC



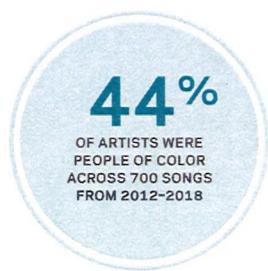
FEMALES ARE MISSING IN POPULAR MUSIC
Prevalence of Female Artists across 700 Song, in percentages



PEOPLE OF COLOR ARE DOMINATING TODAY'S MUSIC



VOICES HEARD: ARTISTS OF COLOR ACROSS 700 SONGS
Percentage of artists of color by year...



Recording Academy Voting & Professional Membership:

68% Male / 26% Female ▪ 24% People of Color

SOURCE: USC ANNENBERG INCLUSION STUDY

BUILDING AN EFFECTIVE MEMBERSHIP STRATEGY



RECRUIT IN THE GAPS

DIVERSIFY OUR ORGANIZATION

ENSURE STANDARDS ARE MET

CREATE AN ORGANIZATION OF ACTIVISTS

SHARPENING THE RA VALUE PROPOSITION

Promote 3 core pillars that inspire action!

- Service: Supporting and Inspiring the Music Community
 - Advocacy: Fighting for Creators' Rights
 - Recognition: Celebrate and Honor the Artistry

and

Double down on fewer programs with higher impact

TRANSFORMING MEMBERS INTO ACTIVISTS



Over the next year we will be creating
RECORDING ACADEMY ACTIVISTS.

An ACTIVIST is defined as someone who participates in at least **5 High-Bar Actions** per year across or within one of three core pillars to help us achieve our goals.

OUR GOAL:

15% OF THE MEMBERSHIP DEFINED AS AN ACTIVIST BY THE END OF 2020

NEW OPPORTUNITIES TO TRACK AND COMMUNICATE

Tracking All Member Activity

A new CRM will allow us to have one full picture of a member that incorporates both online and offline activity and identify our activists.

Member Communication

New messaging and coordinated communication efforts will allow us to speak in a unified voice and clearly outline goals and asks.

Increased opportunities for member feedback and two-way communication.

Social Media

We will amplify our issues and engage our members across social media platforms and develop compelling content and activations.

INCLUSIVE / DIVERSE / REPRESENTATIVE / TRANSPARENT

Grammy Process



Board Structure



Membership

R A
9 0

TASK FORCE

TASK FORCE: TAKEAWAYS & AREAS FOR ACTION

1. Diversity Practice

- a. Have diversity in our mission, vision, and values—it is at the core of who we are
- b. Build a more inclusive working culture and diverse* senior leadership team
- c. Add diversity role to leadership team

2. Awards

- a. Diversity on each of our Nomination Review Committees is imperative
- b. Reconsider ranked choice voting in the big four categories with independent experts
- c. Gather data on our actual voters while protecting privacy and brand

3. Membership

- a. Chapters should be held accountable to reach diversity goals
- b. Double the amount of women in our voting membership by 2025
- c. Clarify membership is based on career achievements not credits
- d. Better engage our professional members while maintaining our peer creator-led identity

4. Board

- a. Diversity on our National Governance Committees is imperative
- b. Add diversity to a standing committee mandate
- c. Makeup of the Board must be diverse—studies prove we will make better decisions and be more impactful

**Diversity as comparable to societal demographics: 70% White, 30% People of Color, 30% under 39, 50% female.*



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CULTURAL SHIFT

CULTURAL SHIFT

From	To
Slow decision-making and entrenched	Nimble, thoughtful decisions—start-up mentality, entrepreneurial spirit
Hierarchy / Silos	Agile teams, Empowering points of creative accountability
Disorientation, fear, and distrust	Clear line of sight, trust, and collaboration
Reactive	Forward thinking / Ahead of game
Hesitancy to influence	Activists
Board First	Artist and music community first

CULTURAL SHIFT

From	To
Elite Club: High bar to entry	Service: We go to you
Over reliance of outside firms and consultants	Qualified, skilled, highly accountable, empowered, and effective employees
Inside and outside mentality	Global Alliances / Strategic Partnerships
Sole source of revenue, measured by viewership	Multiple partners and multiple sources of revenue, measuring impact, engagement, and consumption
Recording Academy: What do we “really” do?	Clear purpose and message
Formality / Over Governance “a stifling atmosphere”	Agile / Ahead of the game / Decisive

CULTURAL SHIFT



From	To
"Performing" / Internal naval gazing	Impact / Results
Sacred Cows	Nothing escapes inspection for change
Secrecy	Increasing transparency
Slowly becoming irrelevant	Rapidly becoming distinctive

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WHAT'S ON THE HORIZON

ADOPTING AN ACTIVIST MENTALITY

What we know

- We need to drive bold change
- If our true mission is keeping music alive and thriving then we need to create a culture of activism
- It's our responsibility to use our voice, our power and influence to tackle music's greatest challenges
- Challenges like: ensuring fair pay for creators, removing music career barriers for women, strengthening and protecting all students' access to education
 - 10.4% of GRAMMY nominees are females (2013-2019)
 - Women are not fairly represented on labels, on digital playlists and therefore not in our membership
 - I have been asked if our diversity and task force work is finished—I say not until there is gender parity

What we need

- To build an organization that is properly aligned behind our mission and goals
- We need to redefine what it means to be an involved RA member
- We need a governance structure that's diverse and agile and doesn't take up 70% of the staff bandwidth
- We need performance budgets that are flexible and are allocated to support work that can have maximum impact
- We need to ensure the relevancy of the RA and the GRAMMY brand for the next generation—only 2.9% of our 22 million viewers are 18-24
- We need to turn the industry into a community—one that knows that it has a collective responsibility to take care of its own.
- We need to expand our portfolio and revenue streams and focus on business imperatives

ON THE HORIZON: BUSINESS IMPERATIVES

T.V. decline and the merger

Simulcast full show across VIACOM MUSIC NETS.
MTV, VH1, BET, and CMT would add between 9-12% lift (18-49)
to the current CBS audience. Note that Viacom's Music nets have
the youngest core demos in all of TV (broadcast and cable).

VIACOM'S MUSIC NETS could become the home of the GRAMMYs pre-show.
Could be 2+ hours and drive incremental add dollars and promotion into the CBS broadcast
Content Creation ▪ Streaming ▪ Diversify Revenue Opportunities (partnerships US and abroad)



A photograph showing the lower half of a person walking away from the viewer. The person is wearing dark trousers and light-colored shoes. The background is a paved surface with some blurred motion.

R
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NEXT STEPS

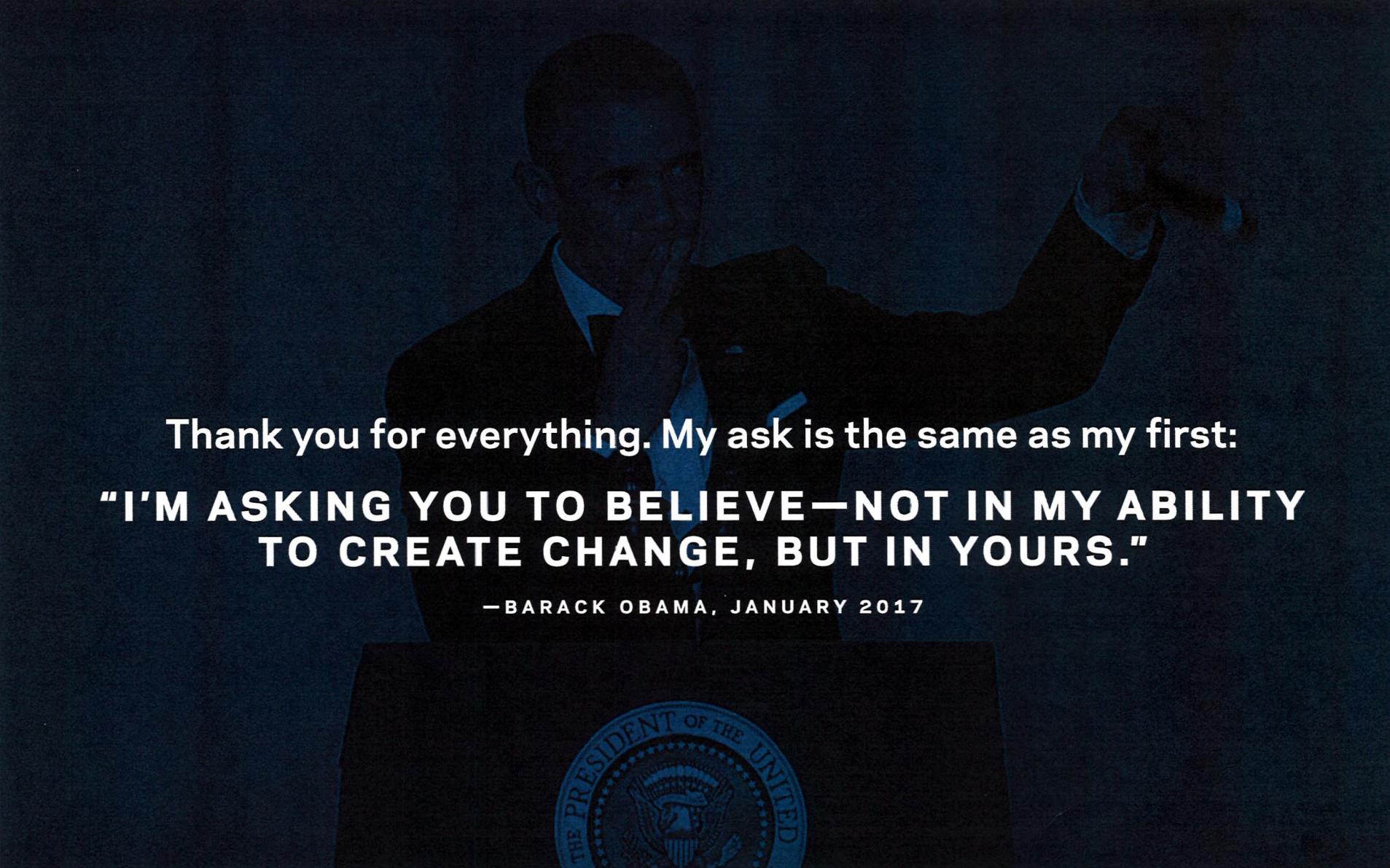
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NEXT STEPS

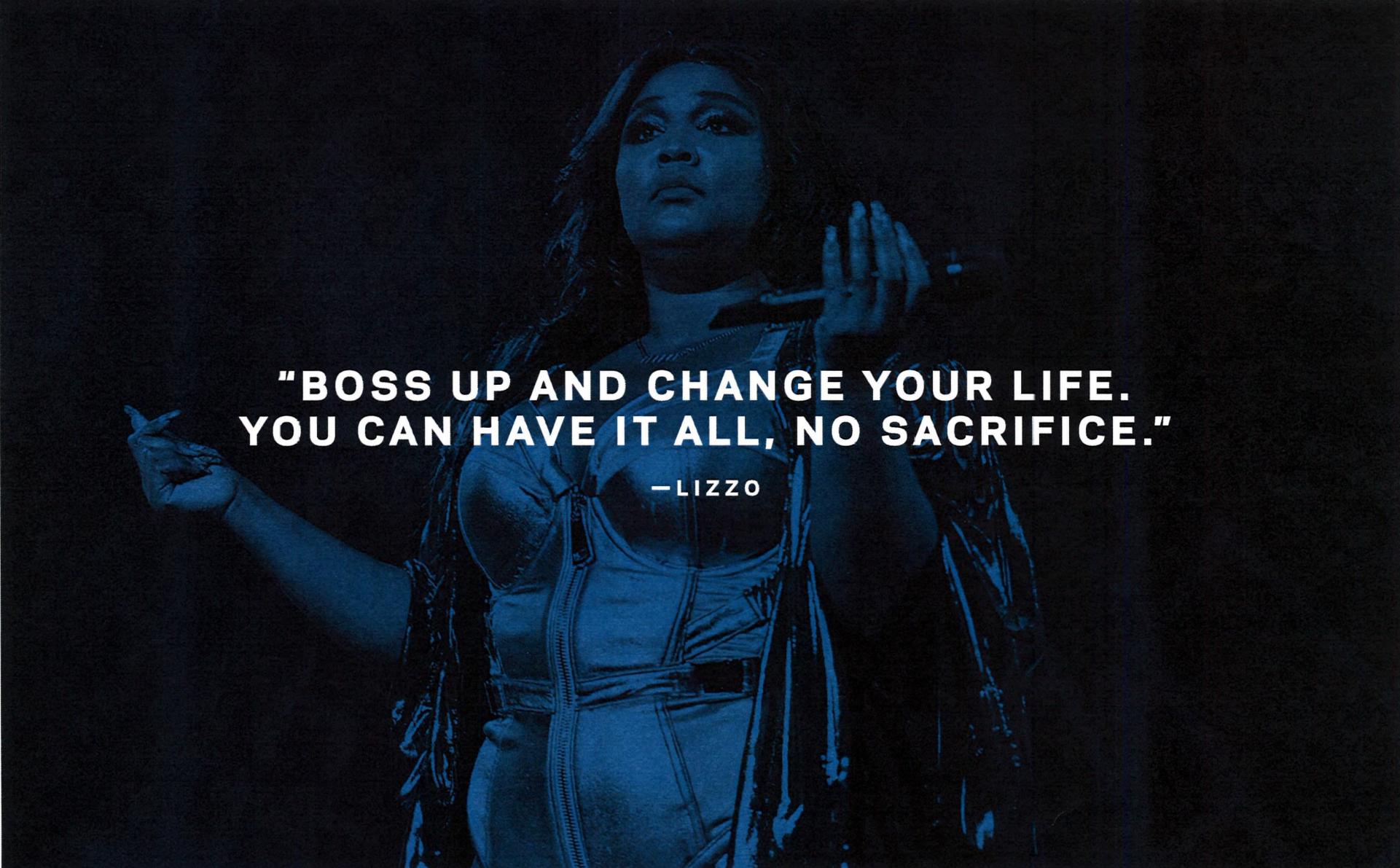
- Clear sense of purpose across organization
 - New tone and message
- Inclusion and diversity in everything we do
 - Organize for success
 - Culture shifts
- Unleash creativity: team, board, and members
 - Bottom up strategic discussion



Thank you for everything. My ask is the same as my first:
**"I'M ASKING YOU TO BELIEVE—NOT IN MY ABILITY
TO CREATE CHANGE, BUT IN YOURS."**

—BARACK OBAMA, JANUARY 2017



A black and white photograph of a woman with long dark hair, looking upwards and to her right with a serious expression. She is wearing a form-fitting, zippered leather-style top and matching pants. Her left hand is raised, pointing her index finger upwards. The background is dark and moody.

**"BOSS UP AND CHANGE YOUR LIFE.
YOU CAN HAVE IT ALL, NO SACRIFICE."**

— LIZZO



RECORDING
ACADEMY®