

# Morgan Stanley's former diversity chief sues company for racial discrimination

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- **Marilyn Booker filed a lawsuit against Morgan Stanley in federal court Tuesday**
- **She had served in leadership roles at the bank for 26 years, including 16 as its head of global diversity, before being fired in December**
- **Booker claims she was fired because she 'pushed too hard for reforms that would result in more Black and minority employees at Morgan Stanley'**
- **She further charged that the company actively blocks efforts to address inequalities within its ranks while publicly championing diversity and inclusion**

Morgan Stanley's former diversity chief is suing the company for racial discrimination after she claims she was fired over her attempts to restructure a training program to promote black financial advisers.

Marilyn Booker worked for Morgan Stanley for 26 years, including 16 as the bank's head of global diversity, before being fired in December, according to a lawsuit filed in Brooklyn federal court on Tuesday.

In the suit Booker claims that the company has spent years blocking efforts to address inequalities within its ranks while publicly championing diversity and inclusion, particularly in recent weeks in the wake of George Floyd's death.

'Rather than seriously examine its own role in perpetuating inequalities in hiring, pay and promotion, and in fostering toxic workplace cultures and consumer discrimination, Morgan Stanley has instead repeatedly stopped short of any meaningful major overhauls during prior opportunities for change,' the suit states.

'Most troubling, Morgan Stanley has, in true hypocritical fashion, actively sought to silence those who speak out and try to advocate for change when it comes to diversity and inclusion.

'Marilyn Booker was one such Morgan Stanley victim. She paid the ultimate price by losing her job merely because she pushed too hard for reforms that would disrupt the status quo on White dominance and result in more Black and minority employees at Morgan Stanley.'

The reforms mentioned in the suit included Booker's plan to restructure a program for training black financial advisers in a way that she thought could help more recruits succeed.

Booker, who is black, filed the complaint on behalf of other black, female employees at Morgan Stanley, naming the company, its CEO James Gorman and Booker's former boss Barry Krouk, a senior executive in the wealth management division, as defendants.

The suit is one in a long line in the past 15 years that have accused Wall Street firms, whose executive ranks are dominated by white males, of hampering the careers of black employees.

Booker, however, is one of the most high-profile former employees to take legal action, having previously testified before Congress during a hearing about the industry's shortcomings with diversity.

Morgan Stanley responded to the suit in a statement to CNBC which read: 'We strongly reject the allegations made in this claim and intend to vigorously defend ourselves in the appropriate forum.

'We are steadfast in our commitment to improve the diversity of our employees and have made steady progress – while recognizing that we have further progress to make.

'We will continue to advance our high priority efforts to achieve a more diverse and inclusive firm.'

Booker was hired by Morgan Stanley in 1994 as its first global head of diversity and for years served as the public face of the bank's efforts to diversify.

In 2011 she moved to the company's wealth management arm and started Urban Markets, a group which sought to bring in more black money management clients and help black communities build wealth.

She remained in that role up until she was fired late last year.

Booker said she initially tried to handle her dismissal quietly, continuing to offer help and advice to black employees who reached out to her.

That changed in recent weeks when protests over racial inequality gripped the nation - driving her to speak out about her experience at Morgan Stanley.

'My story is the same story as those of many black people on Wall Street,' Booker told the [New York Times](#). 'Our fate has been tied to the goodness of whatever white person is in charge. That is no way to have a career.'

Booker called attention to the relatively small amount of money Morgan Stanley devotes to diversity programs.

She pointed to CEO James Gorman's announcement last week that the company would dedicate \$25million to a new initiative inside the bank and would donate \$5million to the National Association for the Advancement of Colored People.

'Morgan Stanley made \$41billion last year — that's a drop in the bucket, it's not even a rounding error,' Booker said of Gorman's pledge.

'People have to put these things in context. If there's a real business initiative that they're focused on, he'd put more than six basis points into it.'

During Booker's tenure at Morgan Stanley several black employees have sued the company claiming that they were marginalized and isolated at work and then pushed out if they spoke up.

In 2007 the bank settled a class-action suit for almost \$24million over middle managers' treatment of black employees. Under that settlement it agreed to spend \$7.5million of that on an overhaul of its hiring and management practices.

But employees who have passed through the firm since then say not much has changed.

In just the past four years, at least eight former employees have sued the company for racial discrimination.