

Morgan Stanley Discriminated Against Black Employees: Lawsuit

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MIDTOWN MANHATTAN, NY — A former Morgan Stanley managing director is taking the financial giant to court, claiming that she was fired last year after pushing to reform a culture of racial bias and discrimination at the firm and hire more black financial advisors.

Marilyn Booker was fired in December 2019 after 26 years with Morgan Stanley — 16 as the Global Head of Diversity and 10 as a managing director for the firm's Urban Markets Group focused on inner-city investing — after "trying to address the systemic racial discrimination that permeates and is an open secret at the firm," a federal lawsuit filed Tuesday in the Eastern District of New York reads.

"Having had no performance issues, Ms. Booker was blindsided. No explanation for her firing was given other than typical corporate posturing that her position — which was primarily to help Black people and people of color — was simply being eliminated," the lawsuit reads.

Throughout the fall of 2019 Booker attempted to meet with Morgan Stanley executives to pitch a plan that would diversify the firm's financial advisor and trainee ranks. Only five of Morgan Stanley's 487 financial advisors are black, according to the lawsuit. The firm "consistently and humiliatingly ignored and evaded her" until a Nov. 18 meeting was set up with non-senior members of the firm's diversity department. Booker was fired less than one month after that meeting, according to the lawsuit.

Booker's firing is representative of Morgan Stanley's mistreatment of black employees that she witnessed during her decades of work for the firm. Morgan Stanley consistently cut funding to Booker's diversity efforts, at times forcing her to cover the cost to attend diversity events on the firm's behalf, the former finance executive claims in her lawsuit. Booker also described the firm's culture as a "toxic harassing environment" for black employees, citing a 2016 racial discrimination lawsuit against the firm and the exodus of 14 black managing directors from the firm between 2017 and 2019.

The lawsuit, filed by the law firm Wigdor LLP, is being pursued in the midst of a nationwide movement against white supremacy and police brutality in the wake of the killing of Minneapolis man George Floyd. Floyd died in police custody after police officer Derek Chauvin kneeled on his neck for more than eight minutes.

Booker claims that Morgan Stanley and its CEO James Gorman are paying "lip service" to the movement by creating an "Institute of Inclusion" at the firm, fast tracking the

promotions of two black women to senior roles and making multi-million dollar donations to organizations such as the NAACP Legal Defense Fund.

"While Gorman is quick to now pay lip service and throw money at the diversity problem at Morgan Stanley because he is suddenly "moved," when it was Ms. Booker's job to do just that – i.e., to work with the Black community and increase both diversity in the workforce and the Firm's reputation around diversity in the community – Morgan Stanley did nothing but actively hamstring her ability to do so," the lawsuit reads.

When it comes to a commitment to diversity at the firm, the numbers speak for themselves, lawyers with Wigdor claim. Thirteen of the 16 members on Morgan Stanley's operating committee are men and 14 of the 16 are white, according to the lawsuit. The firm's CEO, chief HR officer, chief legal officer and head of wealth management are all white men, the lawsuit claims. Of the firm's thousands of managing directors, only 41 are black.

"Morgan Stanley has had decades to get its house in order and improve its record on diversity and inclusion. No more excuses. The numbers speak for themselves and Morgan Stanley must be held accountable for looking the other way," Jeanne M. Christensen, Partner at Wigdor LLP, said in a statement.

Morgan Stanley's headquarters are located at 1585 Broadway in Midtown Manhattan. The firm did not immediately respond to Patch's request for comment.