

ELLEN PAO SEX DISCRIMINATION LAWSUIT RIVETS SILICON VALLEY



The Silicon Valley venture capital firm of Kleiner, Perkins, Caulfield & Byers is in the news for wrong reasons. Normally they are in the news for making tons of money with companies like Google and Amazon. The unwanted attention, this time is not doing their image any good. The high profile firm has a roster of some very illustrious partners, including the likes of Al Gore and Colin Powell. Currently the company is entangled in a lawsuit that is making headlines and is becoming the talk of the valley, to the extent that hearings are even being blogged live. A junior partner has accused Kleiner gender bias, sexual harassment and general ill-mannered and uncouth behavior toward women. The legal fight has given the outsiders an insider's view of the of the firm's high flying ways, inner circle fights over board of director seats at "portfolio" companies and other things that reveal the not so sunny side of the high and mighty. The lawsuit was filed by Ellen Pao, a 42-year-old Harvard Law School graduate who joined the firm in 2005. Pao says that Kleiner not only blocked her from progressing to more lucrative and rewarding positions other women were also subjected to the same treatment. It seemed that those positions were earmarked for men. The firm has refuted the allegations and said that they were not guilty of the allegations made and that Pao was trying to create an atmosphere to create a platform for legal claims. They said that Pao "twisted facts and events in an attempt to create legal claims where none exists." The firm claims that they are one of the most "progressive" companies in Silicon Valley in its hiring practices. Refuting gender bias the firm says that that one-quarter of its senior partners are women. It has been often said that the Silicon Valley has a male-dominated culture and that for a woman it was difficult to break through this wall. When Google executive Marissa Mayer was named as the new CEO of Yahoo, it was widely seen as the beginning of women beginning to breach the glass ceiling, their barrier to workplace advancement. Stanford University law professor Deborah Rhode, an expert in sexual harassment cases, said that the case has aroused unprecedented interest because of the male-dominated perception and the fact that the firm has a good reputation. "This is a garden variety sex harassment case. It got the buzz because this is such a male dominated culture and it's such a large firm" with a good reputation. Kleiner commenced operations in Menlo Park in 1972. Those days it did not face too much competition as there weren't too many independent investment firms. Kleiner grew as did Silicon Valley and its association with some of the biggest names in the computer industry saw it rising in profits and popularity. However, for most of its 40 years history it had few women at the top of its administrative hierarchy, mirroring the all-male culture that was prevalent in Silicon Valley's formative days. Both the defendants and the plaintiff have hired the services of high-priced high-profile attorney's to fight on their behalf. Whilst Kleiner has employment attorney Lynn Hermle on their side, Pao boasts of the equally prominent attorney Alan Exelrod, who in 1998, attained celebrity status winning a \$7 million sexual harassment judgment from what then was the world's largest law firm, Baker & McKenzie. Hermle's knows the importance of getting the lawsuit away from the glare of public attention and media attention and is attempting to move it to the closed doors of arbitration, where private judges render confidential decisions. Judge Harold Kahn will hear Kleiner's arguments for arbitration on Friday. Other workers at the firm have said that the name of the firm is being tarnished by false allegations and that they are unable to disclose them owing to legal constraints. Senior partner John Doerr said that he has been at the company for more than three decades and is proud of its association with it. He said, "It is not easy to stand by as false allegations are asserted against the firm, especially because legal constraints prevent us from responding fully at this time." Both sides are refusing to interact with the media and even though Pao has greatly benefitted from all the attention the case has garnered, her attorney claims that they are not seeking media attention. The court records are replete with accusations, counter accusations and long-smoldering resentments of both Pao and the management. Kleiner has said that the only reason why she was looked over for promotion was that she did not deserve it. She was a poor performer and her performance did not merit it they said. Pao's academic qualifications were impressive. She had an undergraduate engineering degree from Princeton University and a law degree from Harvard. This she upped to a Master's degree in Business Administration whilst working at a law firm. When she joined Kleiner in June 2005, she was called a "junior partner" and was told that she would be promoted to a full-time investing role within three years, provided she worked towards it. She claims that her troubles started almost from the first days of her work. She said that her decision to file a suit was not an off-the-cuff decision but prompted and provoked by enduring five years of harassment from Ajit Nazre, a junior partner, at the time of her hiring. While she continued to remain a junior partner he was promoted to becoming a senior partner. Nazre left the company in January, following a spate of complaints and did not respond to email and phone messages. Pao claims that she repeatedly complained about Nazre but senior partners, including Doerr, turned a deaf ear to her complaints. She however, admits that she and Nazre had "two or three" consensual sexual encounters but alleges, that he began to harass her when she declined to accede to his request for more sexual favors. Not only did senior partner Ray Lane try to persuade her to drop her complaints he also advised her to marry Nazre. Another senior partner Randy Komisar sent her a book that contained erotic poems and sexually explicit pictures on Valentine's Day 2007 with a handwritten inscription. Kleiner's attorneys accuse Pao of misinterpreting Komisar's gift and say that she is making an unmerited issue out of it. The book was actually purchased by Komisar's wife and is written by eminent songwriter Leonard Cohen. Titled "The Book of Longing," it was written by the author during his five-year stay at a Zen monastery. Komisar is a Buddhist and hence, by logical conclusion has a fascination for things connected with his religion. According to her lawsuit, the harassment included being excluded from important meetings, email chains and withholding necessary information for her to succeed at Kleiner. Instead of resolving her complaints, Pao says they were complicit with Nazre and joined in the ostracism. The firm denied all this and said that Pao never complained about Nazre or any other person, until she hired her attorney in late 2011. On the contrary she actually expressed her gratitude to Lane for supporting her during her breakup with Nazre, a "married peer." Pao also charged that she was not taken on work-related outings that included a private Jet Ski trip to Vail and similar jet trips to New York. It was embarrassing to bump into dinner guests, returning from dinner at a senior partner's San Francisco residence, because she stayed in the same building. The snub was hard to take. Pao said she was told the dinner affairs were attended solely by men because women "kill the buzz." To make matters more intriguing, it was reported that Pao's husband, Alphonse "Buddy" Fletcher Jr., has also filed a racial discrimination suit in New York City with the Dakota Apartments over his attempts to buy a fifth apartment. The couple has a 3 year old daughter. Fletcher is a renowned philanthropist who lived with his same-sex partner at the Dakota for a decade till his marriage with Pao in 2007. The firm has an impeccable reputation and observers of Silicon Valley proceedings are surprised at the way things have panned out. Regardless of whether the case is heard publicly in court or behind closed doors in arbitration, or even the likelihood of an out of court settlement for millions of dollars, there is little doubt that its reverberations will be felt for a long-long time.