

Morgan Stanley Complex Manager Exits After Allegations

By Danielle Verbrigghe July 12, 2018

Morgan Stanley Wealth Management complex manager **Robert Perry** has exited the firm following a string of lawsuits involving offices under his supervision.

During Perry's tenure at Morgan Stanley, the firm had faced several lawsuits and complaints made to a California state agency involving harassment, discrimination and other claims in offices under Perry's supervision. While Perry wasn't accused of harassment, he was named as a defendant in at least two suits, and was accused in one of failing to address an employee's complaints involving others under his supervision.

A Morgan Stanley spokeswoman confirmed Perry's departure, but declined to comment further. Attempts to reach Perry for comment through phone numbers associated with him and **LinkedIn** were unsuccessful.

Perry's departure comes after an internal firm investigation into his behavior and management style, according to a report in *The Wall Street Journal*. Earlier this year, Perry had a leave of absence, according to the report, and another source familiar with the matter.

Perry, a longtime Morgan Stanley and Smith Barney manager, had been based out of the Wilshire Blvd. office in Beverly Hills, Calif. His role included oversight of four branches across the greater Los Angeles area.

In one lawsuit filed in 2016, a former financial advisory associate who had worked in several offices within Perry's complex sued Morgan Stanley and Perry for gender discrimination, sexual harassment and retaliation. The plaintiff claimed in the suit that Perry ignored or refused to investigate certain complaints she made against others, failed to prevent retaliation against her, and allowed an environment of gender discrimination.

The complaint was ultimately dismissed in state court in October 2017, and judgment was entered in favor of the defendants, but the plaintiff has filed an appeal.

Morgan Stanley Wealth Management
NUMBER OF ADVISORS 15682
FIRM-WIDE ASSETS \$2,371,000 Million
FEE-BASED ADVISORY ASSETS \$1,058,000 Million
DISCRETIONARY ASSETS \$468,768 Million
KEY PLATFORMS MSWM Select UMA, MSWM Portfolio Management Program (PM), MSWM PWM Manager Assessment Program, MSWM Consulting Group Advisor Program, ...
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In her original complaint the financial advisory associate had claimed that after the Morgan Stanley merger with Smith Barney, managers in the complex who were veterans of Smith Barney operated as a "network of males with Bob Perry as the leader of the tribe." While the firm did hire women, the plaintiff claimed in the suit that they were treated differently than male

counterparts, and were subject to harassment and discrimination.

Among other allegations, that plaintiff claimed that Perry distributed accounts and access to resources in the offices under his purview subjectively, allowing gender stereotypes and a culture of discrimination to influence his decisions.

Perry had also been named in a wrongful termination, retaliation and failure to pay overtime wage suit filed by former financial advisor associate **Michael Ross** in 2013, who claimed in the suit that Perry failed to prevent other employees from engaging in harassment, retaliation and defamation. The judge in that case issued a judgement in favor the plaintiff in 2014, awarding him \$31,000.

In one lawsuit filed in California state court, in which Perry is not named as a defendant, a former financial advisor associate who had worked in an office within Perry's complex, **Ivy Xiao**, claimed that she faced repeated sexual harassment, sexual assault, discrimination and retaliation at the firm.

Xiao claimed in the suit that after raising complaints about alleged harassment in one office, that rather than taking action against the alleged harassers, the firm transferred her to the Santa Monica office, where she claimed the harassment continued.

In another high-profile case, a former administrative assistant accused an advisor in Beverly Hills, **Michael Ladge**, of sexual harassment, as reported. That suit was kicked to arbitration.

FundFire also reviewed eight discrimination and harassment complaints filed to the California Department of Fair Employment and Housing between 2015 and 2018 involving offices that were within Perry's complex during his tenure. Names of individuals were redacted in the complaints, and several of the charges could have been filed by the same person.

Other firms across the industry have also been subject to discrimination and harassment allegations in recent years.

In some cases, firms are not preparing managers or supervisors to properly address complaints, says **David Gabor**, head of the employment law and HR division at the **Wagner Law Group**.

"If they're not prepared, they might react with a kneejerk reaction, such as 'oh, Bob is just being Bob, or 'what do you expect?' or 'he would never harass someone,'" Gabor says.

Firms should put in place in-person training to make sure supervisors are equipped to take discrimination or harassment complaints seriously and react appropriately. Firms also need to be sure that investigations are handled by someone who is not going to just take steps to protect the accused, Gabor says.

"The investigation really needs to be by someone who, if it is determined you did something wrong, is going to do something about it, not protect somebody," Gabor says.

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