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22 UNITED STATES DISTRICT COURT
23 NORTHERN DISTRICT OF CALIFORNIA
24 SAN FRANCISCO / OAKLAND DIVISION

25 DAISY JAFFE and DENISE WILLIAMS
26 on behalf of themselves and all others
27 similarly situated,

28 Plaintiffs,

v.

MORGAN STANLEY DW, INC.,

Defendant.

Case No. C-06-3903 TEH

**FIRST AMENDED CLASS ACTION
COMPLAINT FOR INJUNCTIVE AND
DECLARATORY RELIEF AND
DAMAGES FOR VIOLATIONS OF TITLE
VII OF THE CIVIL RIGHTS ACT OF 1964,
42 U.S.C. §§ 2000e *et seq.*, THE
CALIFORNIA FAIR EMPLOYMENT AND
HOUSING ACT, CAL. GOV'T CODE
§§ 12940, *et seq.* and the ELLIOT-LARSEN
CIVIL RIGHTS ACT, M.C.L.A. §§ 37.2101
*et seq.***

DEMAND FOR JURY TRIAL

1 Individual and Representative Plaintiffs Daisy Jaffe and Denise Williams (“Plaintiffs”) on
2 behalf of themselves and all others similarly situated, allege, upon personal knowledge as to
3 themselves and upon information and belief as to other matters, as follows:

4 **NATURE OF THE CLAIM**

5 1. Defendant Morgan Stanley DW, Inc. (hereinafter “MSDW” or “the
6 Company”) is a retail financial services firm that discriminates against female Financial Advisors
7 on the basis of gender with respect to business opportunities, compensation, and other terms and
8 conditions of employment in violation of Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§
9 2000e *et seq.*, the California Fair Employment and Housing Act, Cal. Gov’t Code §§ 12940 *et seq*
10 and the Elliot-Larsen Civil Rights Act, M.C.L.A. §§ 37.2101 *et seq.*

11 2. The violations are systemic, constituting a pattern and practice that
12 pervades the corporate culture of MSDW. They are not isolated or exceptional incidents, but
13 rather the regular and predictable result of Defendant’s policies and practices. Put simply,
14 MSDW’s policies and practices with regard to the distribution of the business opportunities and
15 investment accounts under its control have the effect, and have been undertaken with the purpose,
16 of denying equal opportunities for compensation to qualified female Financial Advisors.

17 3. MSDW generally pays its Financial Advisors (also called “FAs” or
18 “brokers”) on a commission basis—a percentage of the revenue generated by the investment
19 accounts assigned to the FA.

20 4. FAs acquire investment accounts through “leads” and “referrals” (e.g.,
21 when a Financial Advisor is told of a potential client, the FA contacts the potential client, and the
22 FA enrolls the potential client as a MSDW customer); by transfers from one Financial Advisor to
23 another (e.g., when another FA moves to another brokerage firm, retires or leaves the business);
24 through partnerships with other Financial Advisors, and through “walk-ins” and “call-ins” (e.g.,
25 when a potential client calls or walks into the branch and inquires about opening an account).

26 5. MSDW has implemented company-wide policies and practices for the
27 distribution of accounts, leads, referrals, partnership opportunities, walk-ins, call-ins, and other
28 business opportunities that delegate substantial discretion to MSDW’s virtually all-male Branch

1 Managers. MSDW Branch Managers have extraordinary discretion to distribute accounts and
2 business opportunities as they choose, allowing their gender stereotypes and the company-wide
3 culture of gender discrimination to influence their decisions. As a result, it has been MSDW's
4 practice for years to distribute accounts and other business opportunities to male Financial
5 Advisors in numbers disproportionate to those distributed to similarly-situated female Financial
6 Advisors.

7 6. Because Financial Advisors obtain so many accounts through this process,
8 rather than on the FAs' own initiative, the distribution of accounts and the allocation of business
9 opportunities are substantial factors affecting the compensation of MSDW Financial Advisors.

10 7. These discriminatory policies and practices intentionally and systematically
11 disadvantage female Financial Advisors at MSDW and prevent them from fairly competing for
12 business opportunities and higher compensation.

13 8. As troubling as these discriminatory policies and practices are, more
14 disturbing still is the cavalier way in which MSDW treats the subject of gender discrimination
15 against its female Financial Advisors. While MSDW says, "We focus recruiting efforts on
16 women and provide career development programs including internal women's conferences led by
17 senior women executives," these statements of inclusion are illusory in light of MSDW's
18 exclusionary practices.

19 9. Accordingly, this class action is brought by female Financial Advisors on
20 behalf of themselves individually and all similarly-situated female Financial Advisors in the
21 United States against whom MSDW has discriminated on the basis of gender. This action seeks
22 to end MSDW's discriminatory policies and/or practices and to make the Plaintiff class whole by
23 requesting the following remedies: injunctive relief to remedy systemic gender discrimination at
24 MSDW; an award of back pay and front pay; and compensatory and punitive damages.

25 **JURISDICTION, VENUE AND INTRADISTRICT ASSIGNMENT**

26 10. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1331.

27 11. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b). Members
28 of the Plaintiff class reside in California and throughout the United States. Defendant MSDW is a

1 Delaware corporation, headquartered in New York, and licensed to do business in California. It
2 has branch offices throughout California and this District. Many of the acts complained of
3 occurred in this State and this District and gave rise to the claims alleged.

4 12. Assignment to the San Francisco/Oakland Division of this Court is proper
5 because Plaintiff Daisy Jaffe resides within this Division and many of the acts complained of took
6 place in this Division.

7 **PARTIES**

8 13. Plaintiff Daisy Jaffe is a female resident of Hillsboro, California. She was
9 employed as a Financial Advisor in the San Mateo, California office of MSDW from on or about
10 August 1982 until August 11, 2005. During the course of her employment as a Financial Advisor
11 at MSDW, MSDW denied Ms. Jaffe business opportunities on the basis of her gender and age
12 that directly impacted her compensation. MSDW wrongfully terminated Ms. Jaffe because she is
13 female and over the age of 40.

14 14. Plaintiff Denise Williams is a female resident of Sylvania, Ohio. She is
15 currently employed as a Financial Advisor in the Detroit, Michigan office of MSDW. Her
16 employment as a Financial Advisor at MSDW in Detroit began in March 2004. During the
17 course of her employment, MSDW has denied Ms. Williams business opportunities on the basis
18 of her gender and race that directly impacted her compensation.

19 15. MSDW is a wholly-owned subsidiary of Morgan Stanley.

20 16. Morgan Stanley is a global financial firm that provides brokerage and
21 investment banking management services to corporations, governments and individuals around
22 the world. It maintains leading market positions in each of its business segments – Institutional
23 Securities, Retail Brokerage, Asset Management and Discover (Credit Services). Morgan Stanley
24 employs approximately 53,870 employees worldwide. It is a Fortune 500 company doing
25 business in 30 countries and is one of the largest financial institutions in the United States. It
26 recently reported annual revenues of \$52.1 billion, a net income of \$4.9 billion and assets of
27 \$898.5 billion. As of March 17, 2006, Morgan Stanley had a market value of \$64.7 billion.
28

1 17. MSDW is the retail broker-dealer subsidiary of Morgan Stanley. MSDW
2 provides comprehensive financial services to clients through a network of approximately 9,500
3 Financial Advisors with over 530 global locations, including 485 U.S. retail locations. As of
4 November 30, 2005, MSDW had \$617 billion in client assets.

5 **CLASS ACTION ALLEGATIONS**

6 18. Plaintiffs Jaffe and Williams bring this Class Action pursuant to Fed. R.
7 Civ. P. 23(a), (b)(2), and (b)(3) on behalf of a Class of all female Financial Advisors employed by
8 MSDW in the United States at any time from August 5, 2003 to the present. Plaintiff Jaffe also
9 brings this Class Action pursuant to Fed. R. Civ. P. 23(a), (b)(2), and (b)(3) on behalf of a
10 Subclass of all female Financial Advisors employed by MSDW in California at any time from
11 November 1, 2004 to the present. Plaintiff Williams brings this action pursuant to Fed. R. Civ. P.
12 23(a), (b)(2) and (b)(3) on behalf of a Subclass of female Financial Advisors employed by
13 MSDW in Michigan at any time from December 13, 2005 to the present. Plaintiffs reserve the
14 right to amend the definitions of the Class and Subclass based on discovery or legal
15 developments.

16 19. Plaintiffs are members of the Class and/or Subclasses they seek to
17 represent.

18 20. The members of the Class and Subclasses identified herein are so
19 numerous that joinder of all members is impracticable. As of the filing of this Complaint,
20 MSDW has approximately 9,500 Financial Advisors. Although the precise number of female
21 Financial Advisors is currently unknown, it is far greater than can be feasibly addressed through
22 joinder.

23 21. There are questions of law and fact common to the Class and Subclass, and
24 these questions predominate over any questions affecting only individual members. Common
25 questions include, among others: (1) whether MSDW's policies or practices discriminate against
26 female Financial Advisors; (2) whether MSDW's policies or practices violate Title VII, the
27 California Fair Employment and Housing Act and/or Michigan's Elliot-Larsen Civil Rights Act;
28

1 and (3) whether equitable remedies, injunctive relief, compensatory, and punitive damages for the
2 Class are warranted.

3 22. The Representative Plaintiffs claims are typical of the claims of the Class
4 and Subclasses.

5 23. The Representative Plaintiffs will fairly and adequately represent and
6 protect the interests of the members of the Class and Subclasses. Plaintiffs have retained counsel
7 competent and experienced in complex class actions, employment discrimination litigation, and
8 the intersection thereof.

9 24. Class certification is appropriate pursuant to Fed. R. Civ. P. 23(b)(2)
10 because MSDW has acted and/or refused to act on grounds generally applicable to the Class and
11 Subclasses, making appropriate declaratory and injunctive relief with respect to Plaintiffs and the
12 Class and Subclasses. The Class and Subclass members are entitled to injunctive relief to end
13 MSDW's common, uniform, unfair and discriminatory policies and practices.

14 25. Class certification is also appropriate pursuant to Fed. R. Civ. P. 23(b)(3)
15 because common questions of fact and law predominate over any questions affecting only
16 individual members of the Class and Subclasses, and because a class action is superior to other
17 available methods for the fair and efficient adjudication of this litigation. The Class members
18 have been damaged and are entitled to recovery as a result of MSDW's common, uniform and
19 discriminatory policies and practices. MSDW has computerized account data, payroll and
20 personnel data that will make calculation of damages for specific Class and Subclass members
21 relatively simple. The propriety and amount of punitive damages are based on the conduct of the
22 Defendant, making these issues common to the Class and Subclasses.

23 **GENERAL POLICIES OR PRACTICES OF DISCRIMINATION**

24 26. The denials and abridgments of employment opportunities suffered by the
25 Representative Plaintiffs are part of a general policy or practice of discrimination on the basis of
26 gender in employment that has existed at MSDW throughout the relevant time period. These are
27 not isolated examples of employment practices or individual decisions. On the contrary, these
28

1 incidents are representative of MSDW's systematic discrimination against female Financial
2 Advisors in favor of male Financial Advisors.

3 27. Because virtually all indicia of success, advancement, and achievement at
4 MSDW are based on the total dollar amount of the assets a Financial Advisor manages or on the
5 amount or revenue he or she has produced, the ability to acquire new and lucrative accounts is
6 essential to a Financial Advisor's success in the business. Titles at MSDW are also based on
7 gross production, total assets, or both. For example, officer titles, such as "First Vice President"
8 are awarded when a Financial Advisor reaches at least \$500,000 in gross production in the course
9 of a year.

10 28. MSDW's nationwide account distribution policies and practices (as well as
11 its policies and practices for distributing other business opportunities) discriminate against
12 women. They permit excessive subjectivity by Branch Office Managers and Sales Managers in
13 account assignment and the allocation of business opportunities. This is a uniform practice across
14 MSDW offices. Thus, Branch Office Managers and Sales Managers distribute accounts,
15 referrals, leads, call-ins, walk-ins, and other business opportunities to the FAs based on the
16 Branch Office Managers' and Sales Managers' biased personal preferences.

17 29. By entrusting Branch Office Managers and Sales Managers, virtually all of
18 whom are men, with undue discretion in these matters, MSDW maintains a system whereby the
19 Branch Office Managers and Sales Managers apply their own personal preferences and biases in
20 making distribution decisions in a way that systematically disadvantages women and limits their
21 compensation.

22 30. MSDW has implemented policies or practices that have denied or restricted
23 the availability of business opportunities, compensation, and other favorable employment
24 conditions to qualified female Financial Advisors. Such discriminatory policies or practices
25 include, without limitation:

26 a. Systematically discriminating against women in allocating accounts
27 and business opportunities that impact their opportunities for increased compensation, including,
28

1 but not limited to, leads, call-ins, walk-ins, accounts from departing or retiring brokers' books,
2 and other sources of business;

3 b. Establishing and maintaining arbitrary and subjective policies or
4 systems regarding business allocation and account distribution that have had the effect of denying
5 compensation to qualified women;

6 c. Relying upon unweighted, subjective, gender-based and/or arbitrary
7 criteria utilized by a nearly all-male managerial workforce in making business allocation
8 decisions that directly impact FAs' compensation;

9 d. Denying women opportunities to increase their commissions and
10 other earnings;

11 e. Maintaining a discriminatory and gender-biased corporate culture;
12 and

13 f. Making employment decisions based on gender stereotypes.

14 **CLAIMS OF REPRESENTATIVE PLAINTIFF JAFFE**

15 31. Plaintiff Daisy Jaffe worked as a Financial Advisor from approximately
16 August 1982 to August 11, 2005 in the San Mateo, California office of MSDW. During the
17 course of her employment, MSDW denied her compensation, business opportunities, titles and
18 other conditions of employment that it made available to similarly-situated male Financial
19 Advisors.

20 32. In what MSDW called a "reduction in force," it terminated Ms. Jaffe's
21 employment on August 11, 2005. Morgan Stanley unlawfully terminated Ms. Jaffe because she is
22 a female and is over 40.

23 33. Since the beginning of her employment with MSDW, MSDW has denied
24 Ms. Jaffe compensation that it made available to similarly-situated male Financial Advisors.
25 MSDW routinely distributed business opportunities, including accounts from departing and
26 retiring brokers, referrals, leads, call-ins and walk-ins, and potential clients, to male Financial
27 Advisors, rather than to female Financial Advisors. As a result of the inequitable and
28 discriminatory distribution of accounts and account prospects, female Financial Advisors have

1 diminished income potential and diminished actual income as compared to similarly-situated
2 male employees. MSDW has also favored younger Financial Advisors in account distribution
3 and the allocation of business opportunities. For example, in 2005, MSDW distributed almost all
4 the accounts of a retiring Financial Advisor to male Financial Advisors who were younger than
5 Ms. Jaffe and who had no more qualifications than she. Similarly, MSDW distributed almost all
6 the accounts of two other departing Financial Advisors to younger, male Financial Advisors who
7 were no more qualified than Ms. Jaffe.

8 34. During the course of her employment, MSDW also did not allocate any
9 significant walk-in or call-in business to Ms. Jaffe, while it did allocate such business to
10 similarly-situated younger male Financial Advisors. MSDW denied Ms. Jaffe these opportunities
11 due to her gender and age.

12 35. MSDW also discriminated against Ms. Jaffe as an individual based on
13 gender by denying her desirable office assignments. At the same time, it provided desirable
14 office assignments to similarly-situated male Financial Advisors. MSDW did not permit Ms.
15 Jaffe to have a desirable upstairs office, where the offices of similarly-situated male broker were
16 located. Similarly, MSDW denied Ms. Jaffe's request to relocate to the Palo Alto office after the
17 San Mateo office was evacuated in October 2004 due to a flood. MSDW permitted similarly-
18 situated male Financial Advisors to relocate while it forced Ms. Jaffe to work from home. By
19 discriminating against her with respect to these terms and conditions of her employment, MSDW
20 diminished the amount of Ms. Jaffe's compensation.

21 36. By denying compensation to Ms. Jaffe that it made available to similarly-
22 situated male Financial Advisors, MSDW has also denied her the ability to reach earnings tiers
23 with prestigious titles and greater income opportunities, which MSDW awarded based on a
24 Financial Advisor's level of compensation.

25 37. MSDW terminated Ms. Jaffe's employment due to the fact that she is
26 female and over the age of 40. At the time she was terminated, she held the title of First Vice
27 President. This title was given to her because her annual production was at least \$500,000. At
28 the time MSDW terminated Ms. Jaffe, similarly-situated men (including younger men) with

1 fewer qualifications than she were not terminated. MSDW's stated reason for her termination at
2 the time was that her production levels were not adequate. Ms. Jaffe's production levels were
3 diminished, however, only because MSDW discriminated against her with respect to account
4 distribution and business opportunities, and through its refusal to permit her to relocate to a
5 working office in 2004.

6 38. On or about November 1, 2005, Ms. Jaffe filed a charge of discrimination
7 with the California Department of Fair Employment and Housing ("DFEH") and the Equal
8 Employment Opportunity Commission ("EEOC"). On April 12, 2006, she received a Notice of
9 Right to Sue from the DFEH. On June 22, 2006, she received a Notice of Right to Sue from the
10 EEOC. Her charge and Notices of Right to Sue from the EEOC and DFEH are attached to this
11 Complaint as Exhibit A and are incorporated herein by reference.

12 **CLAIMS OF REPRESENTATIVE PLAINTIFF DENISE WILLIAMS**

13 39. Plaintiff Denise Williams has worked as a Financial Advisor since March
14 2004 in the Detroit, Michigan office of MSDW. Ms. Williams is a current employee in that
15 office. During the course of her employment, MSDW denied her compensation, business
16 opportunities, corporate-officer titles and other conditions of employment that it made available
17 to similarly-situated male, non-minority Financial Advisors.

18 40. Since the beginning of her employment with MSDW, MSDW has denied
19 Ms. Williams compensation that it made available to similarly-situated male, non-minority
20 Financial Advisors. MSDW routinely distributed business opportunities, including accounts from
21 departing and retiring brokers, referrals, leads, call-ins and walk-ins, and potential clients, to
22 male, non-minority Financial Advisors, rather than to Ms. Williams. As a result of the
23 inequitable and discriminatory distribution of accounts and account prospects, Ms. Williams had
24 diminished income potential and diminished actual income as compared to similarly-situated
25 male, non-minority employees.

26 41. On or about November 2005, MSDW gave a male, non-minority Financial
27 Advisor with fewer qualifications than Ms. Williams a group of accounts from a senior broker.
28 MSDW did not provide Ms. Williams with similar account distributions.

1 42. Also, since approximately October 2005, a number of Financial Advisors
2 have resigned from the Detroit office of MSDW, including one who resigned in approximately
3 May or June 2006. MSDW distributed accounts of greater value from these brokers' books of
4 business to a male, non-minority Financial Advisor who is similarly-situated to Ms. Williams
5 than it distributed to her. In some cases, MSDW gave Ms. Williams no accounts from these
6 departing brokers.

7 43. Also, while a similarly-situated male, non-minority broker was permitted to
8 enter into a lucrative partnership with a senior broker, Ms. Williams' Branch Office Manager told
9 her that no one wanted to enter a partnership with her.

10 44. By discriminating against her with respect to these and other business
11 opportunities, MSDW diminished Ms. Williams' compensation. MSDW denied Ms. Williams
12 these opportunities due to her gender and race.

13 45. Ms. Williams was also subject to retaliation for complaints of gender and
14 race discrimination she made to her Branch Office Manager starting in the Summer of 2005.
15 Among other things, Ms. Williams complained that she was not given the same opportunities for
16 compensation as her male, non-minority colleagues. Ms. Williams also complained to her Branch
17 Office Manager of the hostile environment she suffers as a result of her race. For example, she
18 complained that a male, non-minority broker made derogatory remarks regarding a potential
19 client who was African American, including calling the potential client a "stupid nigger," a
20 "stupid idiot," and a "worthless fool." These comments were made in Ms. Williams presence so
21 that she could hear them.

22 46. After Ms. Williams complained of gender and race discrimination to her
23 Branch Office Manager, MSDW isolated her, including excluding her from Company functions.
24 MSDW also moved her from her office into the bull pen, which is a space reserved for rookie
25 brokers. Other similarly-situated male, non-minority employees were not required to move into
26 the bull pen.

27 47. By discriminating against her with respect to these terms and conditions of
28 her employment, MSDW has diminished the amount of Ms. Williams' compensation.

1 48. By denying compensation to Ms. Williams that it made available to
2 similarly-situated male, non-minority Financial Advisors, MSDW has also denied her the ability
3 to reach earnings tiers with prestigious titles and greater income opportunities, which MSDW
4 awarded based on a Financial Advisor’s level of compensation.

5 49. On or about October 9, 2006, Ms. Williams filed a charge of discrimination
6 with the Michigan Department of Civil Rights (“MDCR”) and the Equal Employment
7 Opportunity Commission (“EEOC”). She has requested a right to sue letter. Her charge is
8 attached to this Complaint as Exhibit B and is incorporated herein by reference.

9 **FIRST CLAIM FOR RELIEF**
10 **(Intentional Gender Discrimination)**
(Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e *et seq.*)
11 **(On behalf of Plaintiffs and the Class)**

12 50. Plaintiffs incorporate the preceding paragraphs as alleged above.

13 51. This Claim is brought by the Representative Plaintiffs on behalf of
14 themselves and the Class they represents. Plaintiffs have timely filed charges with the EEOC
15 making classwide claims of discrimination as well as individual claims, and have received or
16 requested Notices of Right to Sue from the EEOC. Plaintiffs have exhausted their administrative
17 remedies on their own behalf and on behalf of the Class at the time of filing.

18 52. MSDW has maintained a system that is discriminatory, excessively
19 subjective, standardless, and/or arbitrary with respect to the distribution of accounts and business
20 opportunities, compensation and other terms and conditions of employment. MSDW’s
21 discriminatory policies or practices described above have denied female Financial Advisors
22 business opportunities and compensation, including past and future wages and other job benefits,
23 as compared to similarly-situated male Financial Advisors.

24 53. Defendant has intentionally discriminated against Plaintiffs and the Class
25 by maintaining a pattern or practice of denying business opportunities and accounts that directly
26 affect compensation to qualified female Financial Advisors on the basis of sex. The foregoing
27 conduct constitutes illegal, intentional discrimination as unjustified disparate treatment prohibited
28 by 42 U.S.C. §§ 2000e *et seq.*

1 54. Plaintiffs request relief as hereinafter described.

2 **SECOND CLAIM FOR RELIEF**
3 **(Disparate Impact Gender Discrimination)**
4 **(Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e *et seq.*)**
5 **(On behalf of Plaintiffs and the Class)**

6 55. Plaintiffs incorporate the preceding paragraphs as alleged above.

7 56. This Claim is brought by the Representative Plaintiffs on behalf of
8 themselves and the Class they represent. Plaintiffs filed timely charges of discrimination with the
9 EEOC making classwide claims of discrimination as well as individual claims, and have received
10 or requested Notices of Right to Sue from the EEOC. Plaintiffs have exhausted their
11 administrative remedies on their own behalf and on behalf of the Class at the time of filing.

12 57. MSDW has maintained a system and/or policies that are discriminatory,
13 excessively subjective, standardless, and/or arbitrary with respect to the distribution of accounts
14 and business opportunities which affect compensation and other terms and conditions of
15 employment. This system has an adverse impact on female employees and is not, and cannot be,
16 justified by business necessity. Even if this system could be justified by business necessity, less
17 discriminatory alternatives exist and would equally serve any alleged necessity.

18 58. Plaintiffs request relief as hereinafter described.

19 **THIRD CLAIM FOR RELIEF**
20 **(Gender Discrimination)**
21 **(California Fair Employment and Housing Act, Cal. Gov't Code §§ 12940 *et seq.*)**
22 **(On behalf of Plaintiff Jaffe and the California Subclass)**

23 59. Plaintiff Jaffe incorporates the preceding paragraphs as alleged above.

24 60. This claim is brought on behalf of Plaintiff Daisy Jaffe and the Subclass of
25 female Financial Advisors from California offices.

26 61. As described herein, MSDW's actions constitute gender discrimination in
27 violation of the California Fair Employment and Housing Act (FEHA). Plaintiff Daisy Jaffe
28 received a Right to Sue letter from the DFEH on April 12, 2006. The pendency of an EEOC

1 investigation into Plaintiff Jaffe's charges tolls the time limit for filing a civil action pursuant to
2 the FEHA. Plaintiffs have timely complied with all prerequisites to sue.

3 62. Plaintiff Jaffe requests relief as hereinafter provided.

4 **FOURTH CLAIM FOR RELIEF**
5 **(Gender Discrimination)**
6 **(Elliot-Larsen Civil Rights Act, M.C.L.A. §§ 37.2101 *et seq.*)**
7 **(On behalf of Plaintiff Williams and the Michigan Subclass)**

8 63. Plaintiff Williams incorporates the preceding paragraphs as alleged above.

9 64. This claim is brought on behalf of Plaintiff Denise Williams and the
10 Subclass of female Financial Advisors from Michigan offices.

11 65. As described herein, MSDW's actions constitute gender discrimination in
12 violation of Michigan's Elliot-Larsen Civil Rights Act. Plaintiff Denise Williams has filed a
13 Charge of Discrimination with the Michigan Department of Civil Rights and has requested a
14 Notice of Right to Sue. The pendency of an EEOC investigation into Plaintiff Williams' charges
15 of gender discrimination tolled the time limit for filing a civil action pursuant to the Elliot-Larsen
16 Civil Rights Act. Plaintiff has timely complied with all prerequisites to sue.

17 66. Plaintiff Williams requests relief as hereinafter provided.

18 **FIFTH CLAIM FOR RELIEF**
19 **(Age Discrimination)**
20 **(Age Discrimination in Employment Act of 1967, 29 U.S.C. §§ 621 *et seq.*)**
21 **(On behalf of Plaintiff Jaffe only)**

22 67. Plaintiff Jaffe incorporates the preceding paragraphs as alleged above.

23 68. This claim is brought on behalf of Daisy Jaffe only.

24 69. As described herein, MSDW's actions constitute age discrimination against
25 Plaintiff Jaffe in violation of the Age Discrimination in Employment Act of 1967, 29 U.S.C. §§
26 621 *et seq.*

27 70. Plaintiff Jaffe has filed a timely charge with the EEOC making individual
28 claims of age discrimination and has received a Notice of Right to Sue from the EEOC. Plaintiff
has exhausted her administrative remedies on her own behalf with respect to this claim at the time
of filing.

1 71. Plaintiff Jaffe requests relief as hereinafter provided.

2 **SIXTH CLAIM FOR RELIEF**
3 **(Age Discrimination)**
4 **(California Fair Employment and Housing Act, Cal. Gov't Code §§ 12940 et seq.)**
5 **(On behalf of Plaintiff Jaffe only)**

6 72. Plaintiff Jaffe incorporates the preceding paragraphs as alleged above.

7 73. This claim is brought on behalf of Daisy Jaffe only.

8 74. As described herein, MSDW's actions constitute age discrimination against
9 Daisy Jaffe in violation of the California FEHA. Plaintiff Daisy Jaffe received a Right to Sue
10 letter from the DFEH on April 12, 2006. The pendency of an EEOC investigation into Plaintiff
11 Jaffe's charges tolled the time limit for filing a civil action pursuant to the FEHA. Plaintiff has
12 timely complied with all prerequisites to sue.

13 75. Plaintiff requests relief as hereinafter provided.

14 **SEVENTH CLAIM FOR RELIEF**
15 **(Race Discrimination)**
16 **(Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e et seq.)**
17 **(On behalf of Plaintiff Williams Only)**

18 76. Plaintiff Denise Williams incorporates the preceding paragraphs as alleged
19 above.

20 77. This Claim is brought by Denise Williams individually.

21 78. Denise Williams has filed a timely charge with the EEOC making
22 individual claims of race discrimination and has thus exhausted her administrative remedies as of
23 the filing of this Amended Complaint.

24 79. MSDW has maintained a system and/or policies that are discriminatory,
25 subjective, standardless, and/or arbitrary with respect to the distribution of accounts and business
26 opportunities which affect compensation and other terms and conditions of employment. This
27 system has an adverse impact on minority employees. This system is not, and cannot be, justified
28 by business necessity. Even if such system could be justified by business necessity, less
discriminatory alternatives exist and would equally serve any alleged necessity.

80. MSDW's discriminatory policies or practices, including those described

1 above, have denied Ms. Williams business opportunities and compensation, in the loss of past and
2 future wages and other job benefits, as compared to similarly-situated non-minority Financial
3 Advisors.

4 81. Defendant has intentionally discriminated against Denise Williams by
5 maintaining a pattern and practice of denying business opportunities and accounts that directly
6 affect compensation to qualified Financial Advisors on the basis of race. The foregoing conduct
7 constitutes illegal, intentional discrimination as unjustified disparate treatment prohibited by 42
8 U.S.C. §§ 2000e *et seq.*

9 82. Plaintiff requests relief as hereinafter described.

10 **EIGHTH CLAIM FOR RELIEF**
11 **(Race Discrimination)**
12 **(Elliot-Larsen Civil Rights Act, M.C.L.A. §§ 37.2101 *et seq.*)**
13 **(On behalf of Plaintiff Williams Only)**

14 83. Plaintiff Williams incorporates the preceding paragraphs as alleged above.

15 84. This claim is brought on behalf of Plaintiff Denise Williams.

16 85. As described herein, MSDW's actions constitute race discrimination in
17 violation of Michigan's Elliot-Larsen Civil Rights Act, M.C.L.A. §§ 37.2101 *et seq.* Plaintiff
18 Williams has filed a charge of discrimination alleging race discrimination with the Michigan
19 Department of Civil Rights and has requested a Notice of Right to sue. Plaintiff has timely
20 complied with all prerequisites to sue.

21 86. Plaintiff Williams requests relief as hereinafter provided.

22 **NINTH CLAIM FOR RELIEF**
23 **(Race Discrimination)**
24 **42 U.S.C. § 1981**
25 **(On behalf of Plaintiff Williams only)**

26 87. Plaintiff Denise Williams incorporates the preceding paragraphs as alleged
27 above.

28 88. This claim is brought on behalf of Plaintiff Williams only.

89. The foregoing conduct constitutes intentional racial discrimination in
violation of 42 U.S.C. § 1981.

1 90. Plaintiff Williams requests relief as hereinafter provided

2 **ALLEGATIONS REGARDING RELIEF**

3 91. Plaintiffs and the Class and Subclasses they seeks to represent have no
4 plain, adequate, or complete remedy at law to redress the wrongs alleged herein, and the
5 injunctive relief sought in this action is the only means of securing complete and adequate relief.
6 Plaintiffs and the Class and Subclasses they seek to represent are now suffering, and will continue
7 to suffer, irreparable injury from Defendant's discriminatory acts and omissions.

8 92. MSDW's actions have caused and continue to cause Plaintiffs and all Class
9 and Subclass members substantial losses in earnings and other employment benefits.

10 93. In addition, Plaintiffs, the Class and Subclasses suffer and continue to
11 suffer humiliation, embarrassment, and anguish, all to their damage in an amount according to
12 proof.

13 94. MSDW performed the acts herein alleged with malice or reckless
14 indifference. Plaintiffs, the Class and Subclass members are thus entitled to recover punitive
15 damages in an amount according to proof.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, Plaintiffs, the Class and Subclasses pray for relief as follows:

18 95. Certification of the case as a class action on behalf of the proposed Class
19 and Subclasses;

20 96. Designation of Representative Plaintiffs as representatives of the Class,
21 designation of Representative Plaintiff Daisy Jaffe as the representative of the California
22 Subclass, and designation of Representative Denise Williams as the representative of the
23 Michigan Subclass;

24 97. Designation of Representative Plaintiffs' counsel of record as Class
25 counsel;

26 98. A declaratory judgment that the practices complained of herein are
27 unlawful and violate 42 U.S.C. §§ 2000e, *et seq.*, the California FEHA, Cal. Gov't Code §§
28 12940 *et seq.*, and the Elliot-Larsen Civil Rights Act, M.C.L.A. § 37.2101, *et seq.*;

1 99. A preliminary and permanent injunction against MSDW and its officers,
2 agents, successors, employees, representatives, and any and all persons acting in concert with
3 them, from engaging in each of the unlawful policies, practices, customs, and usages set forth
4 herein;

5 100. An order that MSDW institute and carry out policies, practices, and
6 programs that provide equal employment opportunities for all employees regardless of gender,
7 and that it eradicate the effects of its past and present unlawful employment practices;

8 101. An order restoring Plaintiff Jaffe to her rightful position at MSDW, or in
9 lieu of reinstatement, an order for front pay benefits;

10 102. Back pay (including interest and benefits) for Plaintiffs and individual
11 Class and Subclass members;

12 103. All damages sustained as a result of MSDW's conduct, including damages
13 for emotional distress, humiliation, embarrassment, and anguish, according to proof;

14 104. Exemplary and punitive damages in an amount commensurate with
15 MSDW's ability to pay and to deter future conduct;

16 105. Costs incurred herein, including reasonable attorneys' fees to the extent
17 allowable by law;

18 106. Pre-judgment and post-judgment interest, as provided by law; and

19 107. Such other and further legal and equitable relief as this Court deems
20 necessary, just, and proper.

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Dated: October 12, 2006

Respectfully submitted,

LIEFF, CABRASER, HEIMANN &
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By: /s/ Kelly M. Dermody
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DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury as to all issues so triable.

Dated: October 12, 2006

Respectfully submitted,

LIEFF, CABRASER, HEIMANN &
BERNSTEIN, LLP

By: /s/ Kelly M. Dermody
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