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Disney Investor Says Sexism Claims Warrant Peek At Books

By **Mike LaSusa**

Law360 (June 16, 2020, 9:09 PM EDT) -- Citing "numerous indicia" of gender-based discrimination and harassment at The Walt Disney Co., an investor sued the entertainment goliath in Delaware's Chancery Court on Tuesday seeking access to a range of company records for potential litigation.

Disney investor Jonathan Lustig says he wants to take a look at the company's books to figure out whether the board has lived up to its promises to promote gender diversity and inclusion.

Lustig pointed to allegations made in a handful of lawsuits filed recently in state court in California and federal court in Florida, in which he says Disney is accused of complicity in sexual harassment and other forms of gender-based discrimination, providing "numerous indicia of misconduct."

"These indicia of misconduct are in spite of Disney's board's assumption of responsibility regarding the promotion of gender diversity in the workforce and the non-discriminatory compensation and career advancement of its female employees," Lustig said.

Lustig wants to take a look at the minutes from any board meetings since February 2015 in which members discussed issues of gender equity and diversity. He also wants the minutes of any board meeting that touched on one of the California state lawsuits he mentions in his complaint.

Lustig says he sent Disney a demand letter in May seeking those records, but the company responded earlier this month by refusing to open its books.

In the California state lawsuit singled out in Lustig's suit, he said the plaintiffs alleged Disney "asked for job applicants' prior compensation to aid in the determination of the employees' initial compensation level, thereby pigeonholing women into accepting positions that pay lower than that of their male counterparts."

Lustig also cited two cases in Florida federal court. In one case, he said a woman claimed she faced discrimination and hostility at work because of her gender. In another, he said a woman claimed a male supervisor made inappropriate advances and engaged in other harassing behavior.

Lustig said the allegations, taken together, should be enough to justify a peek at the company's books.

"Plaintiff's primary purpose is reasonably related to his interests as a stockholder, and credible bases exist from which it can be inferred that mismanagement may have occurred," he said.

Disney and counsel for Lustig did not respond on Tuesday to requests for comment.

Lustig is represented by Seth D. Rigrodsky, Brian D. Long and Gina M. Serra of Rigrodsky & Long PA and Joshua H. Grabar of Grabar Law Office.

Counsel information for Disney wasn't immediately available on Tuesday.

The case is Lustig v. The Walt Disney Co., case number 2020-0473, in the Court of Chancery of the

State of Delaware.

--Editing by Jay Jackson Jr.

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