

Tiburon's Open Letter to the Industry

On Tuesday, Oct. 8, at the Tiburon CEO Summit XXXVII, sponsored by Tiburon Strategic Advisors, Ken Fisher, a well-known money manager and billionaire, made remarks that many in attendance found to be misogynistic (see one reaction at <https://www.wealthmanagement.com/people/ken-fisher-s-sexual-comments-roil-tiburon-conference>); and Fisher was informed that he will no longer be welcome at Tiburon events.



So why does a man of Fisher's status place himself this way in front of such a prominent audience? Did he think the NDA that participants signed would protect him? Was he trying to be cute or cool? His motivation is a subject for others. The outcomes are the subject of this commentary.

In the professional world of his asset management peers, his behavior was viewed as appalling and offensive. He subsequently apologized. Most of the shocked professionals I spoke with said, "Too little, too late."

I started to write a longer discussion about my last 50 years and how the previous all-boys club of finance has changed. For us, that evolution happened a long time ago. Women have owned parts of Cumberland and held prominent officers' positions for three decades plus.

Then Chip Roame, managing partner of prestigious Tiburon, spoke out publicly about the incident. His words are eloquent, and they are totally consistent with Cumberland's view. Chip agreed to letting me quote him. We thank him for that permission. Readers are invited to read and consider Chip's message.

Here's Chip Roame's unabridged public response:

OFFENSIVE COMMENTS

Some offensive comments were made by one fireside chat participant in a session late Tuesday afternoon. There remain disagreements as to exactly what was said, how it was intended, and how it was interpreted. I was on stage and have my own understanding of the situation which I have discussed with many long time Tiburon members. I further reached out specifically to several additional female Tiburon members who were present when the comments were made to solicit their views. I will not share these members' views but I welcome them to share their own views if they so wish. They helped me to act, and act firmly. Some though told me they thought this deserved no response. I respectfully disagree.

I will speak only for myself today. I was extremely disappointed by the comments that I heard in the way that I understood them. I can, in no way, condone or find acceptable what I heard in the way that I understood its intent. These comments lacked the dignity & respect that should be expected by any Tiburon CEO Summit speaker or attendee. These were unacceptable words at Tiburon, in the wealth & investments industry, and in society generally. Furthermore, these comments further the inclusion problem in the wealth & investment management industry. And on a related note, I am disgusted to be included in phrases referring to old boys' clubs. Tiburon is the opposite. I have worked tirelessly to try to find women speakers and encourage women attendees at the Tiburon CEO Summits. Given that we target CEO attendees, finding title-qualified women (and minorities by the way) is a tremendous challenge in the wealth & investment management industry. We work endless hours every six months on this same issue. We have held 37 Tiburon CEO Summits semi-annually so we have been fighting this battle for 18½ years.

On Wednesday morning 7:45am, before the start of the second day of Tiburon CEO Summit XXXVII, I took the stage and

announced that the speaker who made these remarks will not ever be invited back to a Tiburon CEO Summit. One attendee is quoted in one of the many articles as saying that my response was only “a passing reference”. This attendee must be referring to my comments at a social gathering the prior evening. In my opinion, that was not the setting to address such a serious issue. I addressed the issue from the stage at 7:45am the following morning. Criticize that timing if you must, but that is an aside to the issue folks.

Laura Varas (Hearts & Wallets) is a Tiburon member and was present for the comments. Laura’s email to me afterwards included these words, “I would like to say, on the record, that Tiburon, through the Tiburon CEO Summits, has been one of the few shining beacons of support for me as a female CEO. The willingness of the other CEOs, mostly male, to welcome, encourage and advise me has been a great support. Many people give lip service to supporting female CEOs. You and the people you assemble at Tiburon, as well as my investors (all of whom are male), are some of the very few who actually do support me. In contrast, I have heard venture capitalists, often female, admit they invest in female-led companies because the valuations are lower. I refuse to accept capital at lower valuations simply because I am female. I just want to be treated like everyone else, and that is what I find at the Tiburon CEO Summits. In the Tiburon CEO Summits, I have found support from kindred spirits whose shared drive to innovate matters much more than gender. It is ironic that people who pay lip service to supporting female CEOs are criticizing people who actually do support them, so I would like to correct that.” Thank you, Laura.

TIBURON CEO SUMMITS MEDIA POLICY

Tiburon has tried various media strategies over the years for its Tiburon CEO Summits. Over the past few years, Tiburon has settled on a no media policy, like many similar CEO-level events. Many Tiburon member CEOs run public companies and need

to adhere to SEC rules around their communications. Other Tiburon member CEOs express their desire to have candid conversations and try to jointly address industry issues. Nearly all members believe that media would inhibit candid discussion. Social media posts by attendees are welcome but Tiburon asks that attendees not quote speakers without their approval. This entire media policy is reviewed by the moderator at the start of each Tiburon CEO Summit.

The point of the Tiburon CEO Summit media policy is to adhere to SEC rules, encourage open dialog, and protect proprietary insights, not hide offensive behaviors. Tiburon seeks candid exchanges of views, not to hide inappropriate, offensive, and/or crude remarks. Tiburon has an inclusive culture and I will personally defend that at all costs. Tiburon has removed dozens of prior Tiburon CEO Summit attendees from the Tiburon CEO Summit invitee list for a variety of reasons, including insulting comments, disrespectful remarks, sales efforts, and lack of discretion.

I will always support a participant who calls out inappropriate behavior and even does so publicly. Alex Chalekian, who I do not know well, should be commended for having the strength to go public Tuesday night with his views of offensive behavior. I have not spoken to Alex since his controversial Tweet so this letter will be the first he knows that I support his efforts. While Alex did technically violate the Tiburon CEO Summit media policy, he recognized that the issues of dignity, respect, and inclusion are more important than the Tiburon CEO Summit media policy, and he took action.

INDUSTRY INCLUSION ISSUE

The wealth & investment management industry has an inclusion issue. One 2017 study reported that women account for 58% of employees in financial services, but only 48% of first and mid-level management roles, and 31% of senior & executive level management roles. And frankly, that is propped up by women's relatively higher success in banking. In investment

management, these numbers are 51%, 41%, and 26%. In brokerage, the numbers are 39%, 34%, and 19%. Results in wealth & investment management are horrible. And the participation of minorities may even be a bigger issue. This is a big issue.

BOTTOM LINE & CALL TO ACTION

We all choose our ways to deal with bad behavior. The recent situation that arose at Tiburon has been dealt with firmly. I believe that I clearly repudiated the comments and apologized to all the attendees. I further barred the speaker from ever attending again. I am not naming names today because this issue is not about one person; this is an industry issue. I hope to share a learning opportunity with industry participants, not deliberately harm one's business.

A few suggestions for those of you who really want to have impact... Do not assume too quickly. Do not judge too quickly. Do not tell us that we must prioritize replying to journalists. Do not claim that we refused to comment (which is not true). Watch our actions. Help us. The industry's issue will not be improved by a few people sending off uniformed tweets and emails, making further accusations. Propose how you can work with Tiburon to address these issues. Propose CEO-level women (and minority) speakers for our Tiburon CEO Summits. Help us recruit them to come speak. Bring on your ideas and your hours of effort! This is a serious industry issue. Let's move past the Tweets and get to work on the dignity and inclusion issues. Comments like we heard on Tuesday, in my opinion, will discourage women from participating in the wealth & investment management industry.

Charles ("Chip") Roame
Managing Partner
Tiburon Strategic Advisors

David R. Kotok

Chairman and Chief Investment Officer

Email | Bio
