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## **VENTURE CAPITAL PARTNERSHIP TO PAY \$1.8 MILLION TO SETTLE DFEH SEXUAL HARASSMENT LAWSUIT**

*Case against Silicon Valley Growth Syndicate and partners is first to be filed by State under new legal authority*

**Sacramento** - The California Department of Fair Employment and Housing (DFEH) today announced a \$1.8 million settlement in its federal sexual harassment lawsuit against the Silicon Valley Growth Syndicate (now headquartered in Little Rock, Arkansas), International Direct Mail Consultants, Inc. (headquartered in Dallas, Texas), Lee William McNutt (Dallas, Texas), William Bunker (Little Rock, Arkansas), and Russell Lewis (Las Vegas, Nevada and San Diego, California).

DFEH's complaint alleged that McNutt, a co-founder of the Silicon Valley Growth Syndicate, used his position of power to sexually harass a female employee, identified in the lawsuit as Jane Doe. In one alleged incident, during official travel to a Syndicate investor meeting in La Jolla, California, McNutt exposed himself to her and touched her without her consent.

"The California legislature has recognized that people in business, service, and professional relationships, including those involving investors, have the right to be free from harassment," said DFEH Director Kevin Kish. "DFEH is committed to eradicating such conduct."

In addition to paying \$1.8 million, the consent decree filed April 29, 2020, permanently requires Silicon Valley Growth Syndicate, International Mail Consultants, Inc., and Lee William McNutt to include in their future investment contracts a clause prohibiting discrimination or harassment.

The consent decree also includes several permanent injunctions against McNutt, including clauses that prevent him from hiring undergraduate or graduate students from Southern Methodist University, or videotaping or photographing women or girls unrelated to him.

The DFEH filed its civil complaint in the San Francisco Superior Court, which Defendants removed to the United States District Court, Northern District of California. The case is captioned *Department of Fair Employment and Housing v. Silicon Valley Growth Syndicate Fund I, L.P., et al.*, Case No. 19-cv-4204 RS (Northern District of California).

California Civil Code section 51.9 prohibits sexual harassment in business, service, and professional relationships. This was the first complaint brought by the DFEH under Civil Code section 51.9 since it obtained the authority to do so on January 1, 2019.

Chief Counsel Janette Wipper, Associate Chief Counsels Melanie Proctor and Andrew Huang, and Senior Staff Counsel Martha Gomez represented DFEH in this matter.

*The DFEH is the state agency charged with enforcing California's civil rights laws. The mission of the DFEH is to protect the people of California from unlawful discrimination in employment, housing and public accommodations and from hate violence and human trafficking. For more information, visit the DFEH's web site at [www.dfeh.ca.gov](http://www.dfeh.ca.gov).*