

Wall Street 'Takes No (Top Women) Prisoners' for Callan, Cruz

By Michael Janofsky



June 13 (Bloomberg) -- As they struggle to achieve parity with their male counterparts, women at the highest levels of Wall Street are catching up in one category -- losing their jobs.

When Erin Callan was removed yesterday as chief financial officer of Lehman Brothers Holdings Inc., she joined Zoe Cruz as the most senior women on Wall Street to fall victim. Callan followed a half dozen chief executive officers at financial institutions who have been replaced since the subprime mortgage market collapsed a year ago.

"The market, as everyone has discovered, takes no prisoners," said Janet Hanson, a former Goldman Sachs Group Inc. executive who in 1997 founded 85 Broads, a women's networking firm based in Greenwich, Connecticut. "I passionately believe that Lehman got caught in a short-selling `riptide' and as a result, they made the best, although saddest, decision they could on behalf of their employees and shareholders."

Lehman, the fourth-biggest U.S. securities firm, said Callan, 42, who was promoted to CFO six months ago and became the first woman named to the firm's executive committee, would return to the investment banking unit. She was succeeded by co-chief administrative officer Ian Lowitt. The bank also said President Joseph Gregory, 56, would step aside for Herbert McDade, 48, head of the equities business worldwide.

Cruz, 53, was Wall Street's highest-paid female executive as co-president of Morgan Stanley when she was ousted last November by Chairman and CEO John Mack. In August, Cruz placed 34th in a Forbes magazine list of the world's 100 most powerful women, the highest ranking of any woman on Wall Street. About a month before she lost her job, Cruz was named one of the 25 most powerful women in New York's financial circles by Crain's New York Business.

Media Attention

Cruz and Callan became subjects of media attention just before losing their jobs.

Cruz, who avoided the media for most of her career, was identified as a leading candidate to succeed Mack in the weeks before she was dismissed. Callan appeared on television and was the subject of newspaper features and a profile in the April issue of "Portfolio" magazine, which called her "The Most Powerful Woman on Wall Street." She also became the public face for Lehman in a battle with David Einhorn, a hedge-fund manager and Lehman short-seller.

A third prominent female executive, Sallie Krawcheck, 43, ran Citigroup Inc.'s wealth-management division, rose to CFO, then was returned in January 2007 to her previous job, a move interpreted by some on Wall Street as a shift to a lower-profile position.

CEOs Ousted

Krawcheck's job change preceded the subprime turmoil that started in July 2007. Since then, the CEOs who have lost their jobs include Kennedy Thompson of Wachovia Corp., Citigroup's Charles "Chuck" Prince, Merrill Lynch & Co.'s Stan O'Neal, Switzerland's UBS AG's Peter Wuffli and Chairman Marcel Ospel. Bear Stearns Cos. Chairman James "Jimmy" Cayne gave up his CEO title in January before his firm's near-collapse forced the Federal Reserve to assist in a takeover by JPMorgan Chase & Co.

Women accounted for 16.6 percent of corporate officers and 16.1 percent of board members in the finance and insurance industries among Fortune 500 companies last year, according to a survey by Catalyst, a New York-based firm that builds business opportunities for women.

A 2007 survey by the Securities Industry and Financial Markets Association, based on data from 31 firms, including New York-based Goldman Sachs, Morgan Stanley, Merrill, Lehman and Bear Stearns, found that white men accounted for 45 percent of the workforce, white women 31 percent, and men and women of color 11 percent each.

Few Women

The replacement of Callan and the firing of Cruz leave few women in high positions at Wall Street firms. They include two at JPMorgan, Chief Investment Officer Ina Drew and Heidi Miller, head of treasury and securities services.

JPMorgan's management committee has 48 members, 10 of whom are women. A subset of 16 people, including Drew and Miller, make up an operating committee. By contrast, Credit Suisse Group's executive board has 12 members, all men.

There might be more women in such lofty positions if attitudes toward women on Wall Street changed, said [Linda Bialecki](#), president of [Bialecki Inc.](#), a New York-based boutique executive search firm.

"Stereotypes embedded in our society are so pervasive, so accepted by men and women that it's truly extraordinarily difficult to move beyond them," [Bialecki](#) said. "As a definition of leadership, men can be assertive, aggressive and decisive. Those are not words that are positively ascribed to women."

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Last Updated: June 13, 2008 00:01 EDT