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Lawsuits: G/O Media CEO Jim Spanfeller **Fostered Hostile Work Environment for** Women

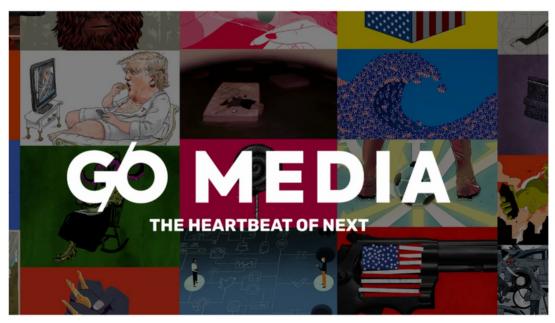
One sales executive alleges she lost half of her assignments after the CEO replaced her with a former colleague from Playboy.

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G/O MEDIA

Two former G/O Media executives have sued the media conglomerate, alleging in separate lawsuits that its CEO Jim Spanfeller mistreated women at the company.

In one complaint, filed Wednesday in Los Angeles, Nadine Jarrard, former G/O vice president of West Coast sales, sued the company for gender and pay discrimination and negligent hiring. She alleges Spanfeller demoted her and gave away half her sales territory to a former colleague from Playboy. "As of August 22, 2019, [Jarrard] had been placed out of work due to extreme mental and physical distress," the complaint alleges.

In the other complaint, filed last week in Chicago against both G/O Media and Spanfeller specifically, Michael McAvoy, the former CEO of The Onion, alleges that Spanfeller fired him because he raised concerns about Spanfeller's treatment of women at the company. The lawsuit claims that G/O Media also violated his employment contract. G/O Media's notice of termination for McAvoy "contained numerous inaccuracies, inconsistencies, and manufactured excuses for terminating McAvoy," court documents allege.

The lawsuits follow weeks of turmoil at G/O Media, which formed in April when the private equity firm Great Hill Partners snapped up The Onion and Gizmodo Media Group from Univision. In October, G/O Media shuttered its left-leaning website Splinter. Last week, it effectively destroyed its popular sports website Deadspin when the company sent out a memo instructing reporters to 'stick to sports,' and fired its longest-running editor, provoking mass resignations.

Within months of his appointment as CEO in April, Spanfeller fired or pushed out the only women and people of color previously on the executive team, and brought in six former colleagues, all white men, from his days at *Playboy*, Forbes, and Ziff Davis, to fill leadership positions, as <u>previously</u> reported by Deadspin in August.

"It was immediately evident that the 'new regime' was white men, cronies from Spanfeller's past," Jarrard's complaint says. "SPANFELLER had no interest in mining the company of existing talent, particularly female, but rather to bring in his old cronies from his time at Playboy, Forbes or elsewhere."

G/O Media denies the allegations in both lawsuits. "These are baseless lawsuits and we look forward to responding to the claims in court where the facts will show that the company's actions were entirely appropriate," a G/O

Media spokesperson told Motherboard. "The company has and continues to support women at all levels of seniority. Of G/O Media's new hires since July, 60 percent have been women, many in senior roles."

In early June, Jarrard learned that Spanfeller's former *Playboy* colleague, Steve Thompson had been hired into her position with her same job title, and would be given half of her territory, which included all of the West Coast, the lawsuit alleges. The lawsuit claims Thompson had little sales experience, "anecdotal or otherwise." Jarrard was told to focus solely on Los Angeles and to hand off San Francisco, the Pacific Northwest and Colorado—despite her two year record of building out a previously "underperforming" West Coast sales team, according to court documents. When Jarrard asked about her demotion and raised concerns that her paycheck would be halved, Spanfeller allegedly brushed her off, saying she would be "pleasantly surprised" by a forthcoming commission plan.

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Under Thompson's watch, G/O Media brought in only \$1 million of its \$10 million goal during the most recent quarter, according to court documents. Twenty sales team members have allegedly parted ways with the company since April.

"I think what's notable about this case is that there was an ongoing dialogue, multiple times where Nadine went to them and said this isn't right," Jarrard's attorney, Claire Cochran, told Motherboard. "Jarrard's territory was halved by someone with no experience. She watched multiple women get pushed out and replaced by Jim's cronies. This practice has got to end. The Jim Spanfellers of the world should be done. Yet here we are litigating."

Spanfeller allegedly told people at G/O that he first met Thompson, Jarrard's replacement, while "hung over" in his bathrobe in a hotel room in the '90s, and hired him on the spot. "The implications around bathrobe and hotel rooms in the interview process" has made many women at the company uncomfortable, the lawsuit says.

When pressed about diversity during a town hall meeting in April, Spanfeller allegedly said, "Haven't thought about it, but I hear you guys. Obviously, diversity is important, I get it."

On July 11, McAvoy, the former CEO of The Onion, who worked at the satirical digital new site since 2005, received a notice of termination "with cause" three months after the acquisition by Great Hill. "Among other things, you have failed to perform your duties and responsibilities [and] have violated your duties of loyalty and fiduciary," Spanfeller wrote in McAvoy's termination letter, which was included in the lawsuit and was reviewed by Motherboard.

But McAvoy's lawyers allege that G/O Media fired McAvoy for "raising legitimate concerns about Spanfeller's treatment of female executives and Spanfeller's hiring of his friends and former colleagues to replace executives." In July, a source with knowledge of McAvoy's firing told The New York Post of his termination, "It was an ambush. He was fighting for women who have been passed over or been replaced by older white guys." McAvoy repeatedly approached Spanfeller about Jarrard's complaints, and he was widely known at the company as an "advocate for women and their growing concerns about mistreatment," Jarrard's complaint says.

Spanfeller's letter of termination cites McAvoy's actions concerning another executive named Katie Pontius. Pontius formerly served as the chief of staff for The Onion and McAvoy claims that Spanfeller privately told him that he

should fire her because "she lived in New York." (The Onion's offices are in Chicago.) Later, Spanfeller offered Pontius a promotion from her role on the condition that she terminate another woman executive, according to McAvoy and <u>reporting in Deadspin</u>. When she declined to fire that woman, Spanfeller allegedly complained to McAvoy that she did not have "the spine" for the job. Pontius later resigned after eight years at The Onion.

In the lawsuit, McAvoy also alleges that he did not receive his severance pay, which amounted to his \$500,000 annual salary. He is asking for that in addition to accrued interest and the cost of his legal fees.

"As to Mr. McAvoy's claims in particular, we anticipate filing a counterclaim and affirmative defenses that will illuminate the very substantial reasons justifying his termination for cause," a spokesperson for G/O Media told Motherboard.

McAvoy declined Motherboard's requests for comment.