



The MBA Leading The Fight To Save A Business School Dean

BY: JOHN A. BYRNE ON DECEMBER 17, 2018



Marshall MBA alum and donor Lloyd Greif is outraged by the decision to terminate Dean James Ellis

“Every victim needs a champion,” insists Lloyd Greif.

And the MBA alum of the University of Southern California certainly has found a victim to fight for these days. The aggrieved party is James Ellis, the embattled dean of the Marshall School of Business

The university’s interim president fired the highly popular dean over allegations that he failed to properly deal with a series of racial and gender bias complaints over the past eight years. USC is allowing the dean to serve out this current academic year until June 30th and to remain at

Marshall as a tenured professor (see [USC Ousts A Popular Business School Dean](#)).

ONE TRUSTEE WAS ALLOWED A MINUTE TO SPEAK ON BEHALF OF THE DEAN

But the decision by interim President Wanda Austin cuts



USC Interim President Wanda Austin

his deanship short by three years and has resulted in an uproar of protest from students, faculty, staff and alumni. More than 3,200 people [have signed a petition](#) in support of Ellis, and hundreds upon hundreds of letters, emails and phone calls have gone to the university's board of trustees which voted on Dec. 12 to back their interim president who has been in the job for all of four months.

At the trustee meeting, one board member—Ming Hsieh—who has also donated \$85 million to the university and has served as a trustee for more than ten years was given only one minute to speak in support of Dean Ellis. He was then asked to leave the meeting room. After the half-hour discussion, he

was allowed back in only to cast his vote against the resolution backing Austin's decision.

Hsieh says Austin told trustees she would resign if she were asked to change her position. "She

should have recognized her mistake and apologized for it," he says. "This university is

run by dictators, and the university has been damaged tremendously by all this. They think the donors will be angry for this week. They will be angry forever."

'I CAN'T LET AN INJUSTICE HAPPEN TO AN INNOCENT MAN'

For Greif, the support of his friend is a matter of principle. "I was brought up not to look away when you see something wrong," he says. "I recognize there was personal risk in standing up for him. But I've got to sleep at night.



Lloyd Greif, founder of a boutique investment banking firm that bears his name

PLEASE SIGN AND SHARE THE PETITION



A petition to save the job of Marshall Dean Jim Ellis has attracted more than 3,200 signatures to date

I can't let an injustice happen to an innocent man. I am not that kind of fair-weather friend. This is unjust."

What has especially galled Greif is that no one is accusing Ellis of inappropriate behavior. Instead, the university appears to be blaming him for the number of complaints at Marshall. During his 11 and one-half years as dean, sources say, there have been roughly 70 written complaints against the school's faculty and staff lodged by either students or faculty with the university's Office of Equity and Diversity (OED).

The complaints ranged from a female student who called the university hot line after having an argument with a boyfriend to a female teacher who was demoted after a poor performance evaluation

and another faculty member who was terminated after failing to meet the terms of his job, says trustee Hsieh, who looked at the full file of OED reports. Of the nine complaints that came to the dean's attention, sources add, Ellis found three to have merit requiring remedial action. Those were dealt with promptly and efficiently by Ellis, according to Greif. Ellis found five of the complaints to be without merit, while one was deemed to be inconclusive.

"He is being hung out to dry over Title IX complaints made in the last decade to the university's Office of Equity and Diversity," insists Greif. "None of them were made about him. The Office of Equity and Diversity does not report to the Marshall

School but to the Provost and Senior Vice President of HR (Human Resources). We see Jim as a scapegoat for the university's failings. He is being blamed for things he had no knowledge of. He doesn't even know the charges against him so how can he defend himself?"

THE CLASH PITS AN ALUM & DONOR AGAINST AN INTERIM UNIVERSITY PRESIDENT

The battle has spilled out into the public onto the pages of *The Los Angeles Times* and other media outlets, replete with leaks from university sources who are trying to spin the story their way and organized protests on campus. A female *LA Times* columnist sided with the university's decision on Friday, accusing trustees,



USC Marshall Dean James G. Ellis

professors, alumni and students of throwing a tantrum and congratulating the full board of trustees in triumphing over “bullying and hyperbole” in support of the dean.

The clash has pitted the investment banking entrepreneur and USC donor against a newly named interim head of USC. An alumna retired from a job as CEO of a federally-funded nonprofit, Austin

was a trustee member plucked from the board in August to temporarily take the job as president. The first African-American and female to lead USC, she succeeded C.L. Max Nikias in the wake of a series of headline-producing scandals, including the administration’s handling of a campus gynecologist accused of sexually abusing patients.

Greif calls her a “lame duck

president” who made a “wrongheaded” move. He has also questioned her authority to fire Ellis. “Since when is an interim president given the same unfettered power to make personnel decisions as a permanent president who is selected by a search committee after a nationwide search and given a five-year mandate to steer the university?”

THE NEW INTERIM PRESIDENT WALKED INTO A HIGHLY VOLATILE SITUATION

Austin, however, stepped into a highly volatile situation. Before being forced to leave by the trustees, her successor had to fire two medical school deans, the first of whom had been known to use hard drugs and party with a circle of criminals and addicts, and the second, his successor, who had been accused of sexual harassment by a female researcher in a lawsuit that was quietly settled by the university for more than \$100,000.

It could not help that Austin has never worked in academia and spent nearly her entire professional career at The Aerospace Corporation, a think tank of sorts that does R&D on military space pro-



USC Marshall Dean James G. Ellis

grams. When she became CEO of the organization in 2008, it reported a surplus of \$21.2 million on revenue of \$843.6 million. When she left in 2016, the organization's expenses exceeded its revenue by \$23.9 million, a negative \$45 million swing. Austin walked away with a compensation package valued at \$9.8 million from the nonprofit, according to public tax filings. A university spokesperson says the compensation includes "the present value of future retirement payments."

Austin, believes Greif, had been in the USC job for all of eight weeks when she had several direct reports begin to pressure Ellis into early retirement. "It doesn't make any sense," sighs Greif. "USC has been in damage

control for 18 months. They bring in this person who has no experience in academia. She was brought in as a stop gap measure and out of left field she goes after the most prominent and successful dean the Marshall School has ever had. We are just baffled."

'WE LEARNED OUR LESSON'

With the university still reeling from multiple scandals, Austin became aware of the number and nature of the complaints at the Marshall School soon after being named the interim president. She dispatched her provost and other administration officials to meet with Ellis and turned to both an outside human resources consultant and a law firm, Cooley LLP,

to review the grievances. In her only unscripted comments on the case (Austin declined to be interviewed for this story), she told the *Los Angeles Times* that "we learned our lesson" from the earlier scandals.

"The commitment we made to our university community to improve our campus culture sometimes requires us to make difficult decisions," she said in a statement. "We understand that there will be those who disagree, but that doesn't mean these aren't the right decisions to move the university forward."

In yet another statement issued by the university, Austin denies that the decision to terminate Ellis was made without thoughtful deliberation. "This was not a hasty or rash decision. It was made after many meetings and discussions, along with reviews by several external, objective sources," she added. "Because this is a personnel issue, we have not shared specific confidential information – even as that approach brought greater criticism. Any of us would hope for that same consideration from our employer."

THE UNIVERSITY PRESIDENT AND HER NEMESIS



USC Provost Michael Quick accused Dean Ellis of “an alarming lack of judgment” for communicating with the faculty and staff

SHARE A LOT IN COMMON

Despite their opposite positions on the question of Ellis, the two share Horatio Alger-like stories, with humble beginnings and triumphs over their underprivileged backgrounds. Austin grew up in the crime-infested South Bronx, with a father who was a barber and a mother who worked as a nurse’s aide. A

first generation college student, she showed promise as a gifted learner and ended up with four degrees, including two master’s in math and environmental systems and a PhD in industrial and systems engineering from the University of Southern California.

After a two-year stint with Rockwell International, she joined The Aerospace Corp.

in 1979 as a member of its technical staff, working her way up to general manager and senior Vice President roles before becoming CEO and president in 2008. Austin would hold that job for the next eight years and ten months until her retirement in October of 2016. When she was asked to become interim president of USC, the appointment seemed like a crowning achievement to a highly successful career.

Greif’s parents were both Holocaust survivors who moved to California in 1947. He lost his father, who had been imprisoned at Auschwitz, at the age of six and spent most of his childhood in a one-bedroom apartment where Greif shared a bed with his older brother and his mom slept on a pull-out couch in the living room.

‘MY FAMILY LOST EVERYTHING IN WORLD WAR II’

While working full time at a Ralphs grocery store, first as a box boy and later as an assistant manager, he earned an economics degree at UCLA and an MBA at USC. Higher education changed his life, enabling him to land a job with the accounting firm of Touche Ross and later the investment banking firm of



A USC trustee for more than ten years who has given \$85 million to the university was allowed one minute for his remarks in support of Dean Ellis

Sutro & Co. Greif rose to become head of Sutro's i-banking unit until founding at the age of 36 his own boutique M&A shop, Greif & Co., which has specialized in serving mid-sized companies and entrepreneurs since 1992.

Greif first met Ellis when they were both members of the Young Presidents Organization, though a true friendship started shortly after 1997 when Ellis joined the faculty of the business school and Greif pledged a \$5 million endowment to establish the Lloyd Greif Center for Entrepreneurial Studies at the business school. "The only way I got to be where I am

today is because of my college education and working hard," he once told a reporter. "My family lost everything in World War II. There are no shortcuts to success. The gift was all about creating future generations of entrepreneurs."

Since his gift to the Marshall School more than 20 years ago, Greif has been actively involved at the school. He has guest lectured, mentored students, judged student competitions, helped to attract top students and star faculty, assisted fundraising and even brainstormed curriculum with Marshall professors. He also sits on several of the school's advisory

boards.

During that time, Greif has watched Ellis closely and his admiration for the job he has done increased, year after year. He had been favorably reviewed by three consecutive provosts, and his performance resulted in a \$70,000 bonus in early October, 93% of the maximum he could have received. During his tenure as dean, Ellis has raised half a billion dollars on behalf of the school and significantly improved the reputation and stature of the institution (see [P&Q's One-On-One Interview With Dean Ellis](#)). In the latest [2018 Poets&Quants' ranking](#) of the best full-time



Rick Caruso, chair of the USC board of trustees

MBA programs in the U.S., Marshall placed 22nd, up four places from its year-earlier position. [Bloomberg Businessweek](#) gave the school its highest ranking ever, placing it 13th best in the U.S. this year. The school's newly launched [online MBA program was ranked first](#) in the U.S. by *Poets&Quants* as well.

GREIF FIRST DISCOVERED ELLIS WAS IN TROUBLE IN LATE OCTOBER

Greif does not look the part of a rabble-rouser. He seems most at home in conservative dark blue suits and white shirts. He looks more like an

accountant than a flashy dealmaker, and as dealmakers go, you would be hard pressed to find one with a higher sense of integrity. Greif & Co.'s mission statement comes right out of the Bible: 'Do unto others as you would have them do unto you.'

Greif first learned that Ellis was in some kind of trouble in late October after a telephone check-in with Ellis about the school's entrepreneurial center and an introduction Greif would do for the dean at an upcoming *Junior Achievement of Southern California* event. "A minute after we hung up the phone,

Jim called me back to share with me that he was being terminated," recalls Greif. "He felt bad that he had not confided in me on the earlier call. At this time, USC was pressuring Jim to 'retire' and trying to entice him to go quietly with a lucrative severance package. I was stunned by the news."

As an investment banker, Greif immediately put his due diligence skills to work. "It was only after I looked into the matter further that my shock turned into outrage for the gross injustice being done to this man," he says. On campus Nov. 1 for a women's entrepreneurial summit hosted by the Entrepreneurship Center that bears his name, Greif saw Austin and approached her as she was walking back to her office from the event.

"I addressed the subject of Jim's dismissal," remembers Greif. "I advocated for his retention and requested the facts surrounding her decision. She heard me out but did not respond and seemed unfazed by my arguments on Jim's behalf."

A FLURRY OF PRIVATE LOBBYING ON THE DEAN'S BEHALF WENT NOWHERE

The brief encounter only strengthened Greif's resolve to fight for his friend's job. That very evening, he wrote a letter defending Ellis and immediately sent it to Austin, copying the board of trustees. Greif followed that letter up with emails to the Executive Committee of the Board of Trustees and two more emails to the full board on Nov. 8th and Nov. 15th. Throughout November, Greif also had conversations and email exchanges with Austin, Provost Michael Quick and Rick Caruso, the chairman of the board of trustees, as well as individual trustees with whom he has had a relationship.

All of his efforts were behind the scenes, in private, until Austin called Ellis into her office on Nov. 27th. During a terse 10-minute session that morning, Ellis was given written notice that he was being terminated as dean, effective June 30th of next year. Austin told the dean that the university would pay out his salary for the remaining three years of his term. University tax documents show that Ellis had a compensation package worth more than \$630,000 in 2017.

It was then that Greif decided he had been wasting his time

dealing with only the president and the board. Three days after Ellis' meeting with Austin, Greif dashed off a Nov. 30th letter to the university's nearly 200 members of the advisory boards of both the Marshall School and its undergraduate sibling, the Leventhal School of Accounting.

'JIM ELLIS SHOULD BE CELEBRATED, NOT CENSURED'

"As many of you know," he wrote, "I am a 1979 MBA and benefactor of the Marshall School's Lloyd Greif Center for Entrepreneurial Studies. Today, I am also the bearer of extremely bad tidings."

In the four-page letter, he laid out the facts as he knew them, rattled off Ellis' achievements and attempted to rally the troops on his behalf. Greif urged the advisory board members to reach out to the interim president and the head of the board of trustees in support of his friend.

"Jim," he concluded, "has dedicated over 21 years of his life—more than half as dean and vice provost for globalization—to this institution. He has done nothing to deserve this fate. Quite the contrary, Jim Ellis should be

celebrated, not censured."

'THE USC ADMINISTRATION IS CLEARLY IN CRISIS, DAMAGE CONTROL MODE'

The letter would quickly go viral and lead to widespread support of the dean from faculty, staff, students and alumni. A petition was posted online. So were dozens of letters. Sara Jensen, Marshall's senior director of development, was one of several staff members at the school who wrote to support the dean. An MBA student at Marshall ten years ago, she joined the school as its major gifts officer six years ago. Jensen calls Ellis "one of the finest men I know and the greatest leader I have had the pleasure with whom to work...(I) know first-hand that Jim has created and maintained a culture of inclusion, equality and excellence at Marshall."

A parent of a USC student recalled a meeting his daughter had with Dean Ellis at an alumni function in Northern California that he said still brings tears to his eyes. His daughter, Alex, had left the U.S. Naval Academy after two years when she found her views in conflict with the military. During a 15-minute

impromptu meeting, “Dean Ellis immediately started peppering her with questions: Why did you leave, are you a quitter, was it too hard, did the male dominance bother you, what have you been doing with your time off, what do you want to do with the rest of your life, the questions went on and on,” recalled Terrence McGrath in a letter to Austin.

His daughter told Ellis about a military ethics class at the academy in which students were asked what they would do if they witnessed prisoners being tortured. His daughter was the only student in the class who provided a dissenting voice, saying she could never turn a blind eye on an injustice. The teacher told her that she would be court martialed for insubordination.

‘ALL OF THE PHONE CALLS, EMAILS AND TEXTS HAVE BEEN SUPPORTIVE OF JIM’

“I witnessed a man whose sole intent was to find and promote young adults to consider USC who would bring a diversity and voice that encompassed all races, religions, genders, cultures, and socio-economic backgrounds,” added McGrath.

“Dean Ellis saw a strong, accomplished, driven young woman in my daughter who would add her diversity and voice to the school and bring a perspective, different from the mainstream. In that moment, he actually saw her for who she is which meant the world to her. Her love affair with USC began at that moment, as did mine.”

The outpouring of support even surprised Greif. “All of the phone calls, emails and texts that I have received have been universally positive and supportive of Jim,” says Greif. “I have neither received nor heard one word of dissent—other than from USC’s administration, which clearly is in a crisis, damage control mode, and board of trustees chair Rick Caruso.”

With word quickly spreading about Ellis’ fate, the dean was urged by his leadership team to issue some kind of message to the faculty and staff. So on Dec. 3rd, Ellis sent an email informing the Marshall community that he had been asked to leave his post due to the “cumulative record” of gender and racial discrimination complaints. “The vast majority of these cases were never brought to my attention,” wrote Ellis.

“Nevertheless, this apparently has led university leadership to believe that we do not have a positive culture here.”

A REPRIMAND FROM THE PROVOST WHEN ELLIS COMMUNICATED WITH HIS STAFF

Hours after Ellis’ email went out, Provost Michael Quick reprimanded the dean for his communication. “Your email put faculty in a position where they may feel pressured to show support for you because of your current role, and out of fear of retaliation,” claimed Quick. “That showed an alarming lack of judgment. I realize you disagree with President Austin’s decision. However, you cannot abuse your role to try to change her mind. If you do that again, you will be subject to further action.”

Incensed by the administration’s response to Ellis’ email and the growing number of emails and phone calls, Greif was back on his computer until 3:30 a.m., drafting a second letter, this one seven pages in length. That mis-sive, to the board of trustees, accused the administration of “a disinformation campaign” and an effort to “silence critics.”

“Ask yourselves, if Jim really did something sufficiently egregious to warrant termination before the end of his remaining 3 1/2-year term, why is he being allowed to remain as dean for seven more months and as tenured faculty forever?,” wrote Greif. “As I have oft repeated, if Jim is responsible for a serious sin of omission or commission, he should be terminated immediately. If not, then the administration and the Board of Trustees need to right this wrong, reinstate Jim Ellis as Dean of the Marshall School and, most importantly, turn their attention to addressing all that ails the University of Southern California, starting with a culture that requires major surgery before the patient dies from these ever-deeper self-inflicted wounds.”

WRITING THE BOARD OF TRUSTEES AT 5:15 A.M.

Ellis, who has declined to speak with the media, felt the need to send an email to faculty, staff and students to calm down the escalating war of words. “I am hoping that we can all calm down, take a breath, and evaluate where we are,” he wrote on Dec. 7th. “We need for this school and this university to continue on an upward trajectory, and we need for all of us to

remember that we have students in final exams, faculty who are grading these final exams, and people who are preparing to celebrate their respective holidays with their families. That is who we are. We are Trojans.”

Then, on the eve of a full vote on the issue by the board of trustees last Wednesday (Dec. 12th), Greif was back in action, drafting yet another seven-page letter to the board. In fact, Greif says, he stayed up until 5:15 a.m. to get it done. By then, the university’s Academic Senate had unanimously passed a resolution agreeing with Marshall’s own faculty that Austin’s decision “lacked shared governance and transparency as to process.”

Greif took particular aim at the Cooley report which did not recommend Ellis’ dismissal. “Trustees who reviewed the report state that it concluded that there was not a culture of discrimination at the Marshall School and that neither Dean Ellis nor his leadership team discriminated on the basis of race or gender,” he wrote.

“For the sake of USC and for your own sake as fiduciaries, you should not rubber stamp

this decision,” Greif added. “If Wanda declines to reconsider her decision, you should have a “no confidence” vote in her administration and ask for her resignation. If she declines to resign, you should terminate her. If Rick opposes the move in his capacity as Chairman, you should seriously question whose interests he is serving and request his resignation, as well.”

TRUSTEES VOTE TO SUPPORT THEIR INTERIM PRESIDENT

Greif’s efforts to save his friend’s job apparently fell on deaf ears. When the board of trustees met on Dec. 12th, it voted to support Austin who, according to trustee Hsieh, was ready to resign if she failed to get a vote in her favor. According to a report in the *Los Angeles Times*, less than half a dozen of USC’s 57 trustees voted to support Ellis.

Trustee Hsieh, who had already come out in support of Ellis, asked to speak for ten minutes. Unlike most of his colleagues on the board, Hsieh had not only read the entire Cooley report, he had also gone to the Office of Equity and Diversity and pulled the entire file of complaints

as well as Dean Ellis' last performance evaluation. Hsieh says there was nothing either in the law firm's report or the OED file that would justify terminating the dean.

"Jim Ellis' removal was purely based on the Cooley report, but there is nothing there to support it," says Hsieh, who adds that the report did not recommend the firing of the dean. "In that report, they found no evidence or reason that Jim Ellis should be fired. There is no sexual harassment or racial bias." And even though Hsieh asked to also see the review by the outside HR consultant, there was, he says, no paperwork from the consultant to review.

'SHE MADE A RUSHED DECISION AND SHE HAS DECIDED TO STICK WITH IT, RIGHT OR WRONG'

"Let me present my case," he recalls pleading. "(Board Chair Rick) Caruso gave me one minute to talk. I told the board they shouldn't make the wrong decision. Even though I hired legal counsel, my interests were in line with the university. We want to find the best outcome for the university. We don't want to rush to judgment and make the wrong decision."

After his one minute, Hsieh was asked to leave the meeting because he used the same lawyer hired by Ellis to draft a letter asking the board of trustees to reconsider Austin's decision. "She made a rushed decision, and she has decided to stick with it, right or wrong," believes Hsieh. "I don't think the trustees know the full facts. They are destroying the reputation of a leader who has given his life to USC. Shame on them."

Protesting with others outside the campus building where the board made its decision, Greif was both surprised and dismayed.

'THIS MATTER HAS NOTHING TO DO WITH THE #METOO MOVEMENT'

Then came an op-ed piece in the *Los Angeles Times* by columnist Robin Abcarian who, among other things, dismissed the uproar over Ellis' termination, claiming that "patriarchy protects itself." The columnist, who wrote that Austin gave "us hope that the boy's club can be dismantled and replaced with something better," even made a dig about Ellis living in a "gated mansion in San Marino." The opinion piece only made Greif even more outraged. "Ms. Abcarian

doesn't get that this is about protecting an innocent, decent man's reputation, which she happily joins in sullyng," he says. "Are we only allowed to protect a person's reputation if they fit a certain demographic mold? This matter has nothing to do with the #MeToo movement."

While many might consider the case closed, due to the trustees' vote, Greif says he is not giving up the fight. It's possible, after all, for a newly installed permanent president to reverse the decision. "I can't turn my back on a gross miscarriage of justice," says Greif. "It's not in my DNA. Someone had to stand up for this man's good name. I put my reputation on the line to protect his, and I wouldn't have done that if I didn't know the man and know that this action—left uncontested—would damage him as well as the Marshall School and USC. Jim was being railroaded and, if I stood idly by and didn't try to stop it, I would be as complicit as the administrators trying to take him down to save their own skins."