# Blythe Masters faces legal challenge from FNZ employee shareholders over share dilution



Blythe Masters, a prominent figure in global finance known for her role in developing the credit default swap, now faces legal challenges from employees of her current company, FNZ. The UK-headquartered wealth management technology platform and private equity firm Motive Partners are at the centre of a dispute involving employee shareholders concerned about share dilution following significant fundraising activities last year.

Masters, who made her name at JP Morgan and is currently the chief executive of FNZ as well as a founding partner at Motive Partners, presided over a series of fundraising rounds in 2023. FNZ succeeded in raising approximately $1 billion (£750 million) from various sources, including existing institutional investors such as Motive Partners. However, this capital injection has prompted discontent among some 300 FNZ employees holding shares.

In a legal letter dated 28 March obtained by the Daily Mail, lawyers representing the employee shareholders assert that the recent fundraising has significantly diluted their shareholdings in FNZ. They claim the dilution has unfairly prejudiced minority shareholders, accusing the company's board of enriching its own interests at the expense of the employees. The letter states: "The shareholders consider that they have been unfairly prejudiced by the share sale. In short the board of FNZ appears to have enriched its own interests at the expense of minority, unrepresented shareholders. The amounts at stake are such that litigation is inevitable absent a serious proposal by FNZ to remedy those losses."

While the employees do not seek to obstruct the fundraising itself, which they recognise as important for FNZ’s growth prospects, they are demanding compensation for the dilution of their shares. Their requests include the ability to monetise part of their holdings and to receive some cash payments.

On 6 March, British-born Masters addressed shareholders to acknowledge requests for more transparency around the fundraisers and financial information. She explained that such disclosures were not appropriate due to the commercial sensitivity of the matters involved.

FNZ, established in 2003, counts major financial institutions such as Aviva, Barclays, and HSBC among its clients. The company currently manages $1.7 trillion (£1.3 trillion) in assets under administration. When approached, FNZ declined to comment on the ongoing dispute.

Masters, often referred to in the media as "the woman who built the financial weapon of mass destruction" because of her instrumental role in creating credit default swaps, is now navigating a high-profile conflict with her employees over equity stakes in the company she leads.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://en.wikipedia.org/wiki/Blythe_Masters> - This URL corroborates Blythe Masters' background as an executive in global finance, her role at J.P. Morgan, and her current positions at FNZ and Motive Partners.
* <https://businessdesk.co.nz/article/finance/fnz-employee-shareholders-revolt-over-latest-capital-raise> - This article supports the claim that FNZ employees are revolting over share dilution following a significant capital raise, and that Blythe Masters has been addressing shareholder concerns.
* <https://www.nzherald.co.nz/business/companies/banking-finance/staff-at-hatch-owner-fnz-revolt-over-grossly-unfair-capital-raise/AQU6ISRTEFFH7ND27BYGJIQYL4/> - This article provides further evidence of discontent among FNZ employee shareholders due to share dilution and describes the situation as 'grossly unfair'.
* <https://businessdesk.co.nz/article/finance/fnz-extends-controversial-catch-up-offer> - This source supports the ongoing nature of the dispute by noting that FNZ has extended its deadline for 'catch-up' equity offers amid growing discontent among shareholders.
* <https://www.noahwire.com> - This URL is not directly accessible, but it is mentioned as the source of information about Blythe Masters and FNZ in the original article. However, it lacks specific content corroboration without direct access.