



# *the* Solari Report

JPMorgan Chase:  
Selected Legal, Regulatory, and Enforcement Settlements, 2002 to 2019

## JPMorgan Chase: Selected Legal, Regulatory, and Enforcement Settlements, 2002 to 2019

NAME	DATE	PLAINTIFF/ OPPOSING PARTY	SUM PAID	PARTIES HARMED	SOURCES	
JPMorgan Chase employees	2019/05/21	In re: JPMorgan Stable Value Fund ERISA Litigation, Case No. 1:12-cv-02548-VSB, in the U.S. District Court for the Southern District of New York	\$75 million	Employee 401(k) investments	JPMorgan 401(k) retirement savings plan class action settlement	
Mishandling ADRs	2018/12/26	SEC	\$135 million	Foreign investors	JPMorgan to pay more than \$135 million for improper handling of ADRs	
U.S. securities mismanagement	2018/12	SEC	\$135 million	Investors	JPMorgan record not so clean with money laundering, manipulation	
Money laundering	2018/12	Hong Kong Monetary Authority (HKMA)	\$1.6 million		JPMorgan record not so clean with money laundering, manipulation	
JPMorgan Chase customers	2018/11/29			All JPMorgan Chase customers' private information	Class action lawsuit claims Bank of America and JPMorgan Chase sold personal consumer info	
Euribor rate manipulation	2018/11/18	Sullivan et al. v. Barclays Plc et al., U.S. District Court, Southern District of New York, No. 13-02811	\$182.5 million	Pension funds	Citigroup, JPMorgan to pay \$182.5 million to settle rate-rigging lawsuit	
Metals traders	2018/11/12	Metals traders		Metals buyers	Former precious metals trader pleads guilty to commodities fraud and spoofing conspiracy  JP Morgan faces potential class action lawsuit after guilty pleas by a former metals trader	
Interest rate benchmark manipulation	2018/06/18	CFTC	\$65 million	Commodities investors and traders	CFTC orders JPMorgan Chase Bank, N.A. to pay \$65 million penalty for attempted manipulation of U.S. Dollar ISDAFIX benchmark swap rates	
Overtime lawsuit	2018/02/05	JPMorgan Chase employees	\$8.3 million	JPMorgan Chase employees	\$8.3M JPMorgan Chase overtime lawsuit settlement reached in California	

	DESCRIPTION (Adapted from jpmadoff.com website)	COMMENTS
	JPMC reached a \$75 million settlement to resolve claims that it mismanaged employee 401(k) investments (May 2019).	The class action lawsuit claimed that JPMC mismanaged employee retirement plans in violation of the Employee Retirement Income Security Act (ERISA). According to news reports, JPMC "reportedly invested its stable value funds into two of its other funds: the Intermediate Bond Fund and the Intermediate Public Bond Fund."
	The SEC ordered JPMC to pay roughly \$135 million after finding that JPMC improperly provided American Depositary Receipts (ADRs) to brokers in thousands of pre-release transactions (even though the broker and customers did not have the foreign shares needed to support the ADRs) (December 2018). The result was an "inflating [of] the total number of a foreign issuer's tradeable securities," leading to "abusive practices" such as inappropriate short selling and dividend arbitrage.	According to the SEC press release, without admitting or denying the SEC's findings, JPMC "agreed to pay disgorgement of more than \$71 million in ill-gotten gains plus \$14.4 million in prejudgment interest and a \$49.7 million penalty for total monetary relief of more than \$135 million." In addition, the SEC's order acknowledged JPMC's "cooperation in the investigation and remedial acts."
	In December 2018, JPMC paid a settlement of \$135 million for SEC allegations that it mishandled U.S. securities that represent shares of foreign companies.	
	In December 2018, JPMC's Hong Kong branch was fined \$1.6 million for breaching anti-money laundering and counter-terrorist financing rules.	
	JPMC customers filed a class action lawsuit claiming that JPMC and Bank of America sold customers' personal information (November 2018). JPMC previously paid out \$100 million for a similar class action lawsuit settlement.	
	JPMC agreed to pay \$182.5 million to settle U.S. investor litigation claiming JPMC violated antitrust law by conspiring with other banks to rig a key European interest rate benchmark (November 2018).	Euribor is the euro-denominated equivalent of Libor, used as a benchmark to set rates on hundreds of trillions of dollars of credit cards, student loans, mortgages, and other debt.
	In October 2018, a JPMC precious metals trader pleaded guilty to fraudulent and deceptive trading activity, and in November, at least six lawsuits were filed in New York federal court on behalf of individuals trading in the precious metals market, who accused JPMC of longstanding precious metals market manipulation.	
	The CFTC settled charges against JPMC for attempted manipulation of the ISDAFIX benchmark, requiring JPMC to pay a \$65 million civil monetary penalty (June 2018).	
	JPMC agreed to pay an \$8.3 million settlement in response to a lawsuit claiming that a class of JPMC assistant bank managers in California were due overtime payments (February 2018).	

NAME	DATE	PLAINTIFF/ OPPOSING PARTY	SUM PAID	PARTIES HARMED	SOURCES	
Economic sanction violation	2018	U.S. Treasury Department Office of Foreign Assets Control (OFAC)	\$5.3 million		Civil penalties against JP Morgan Chase for sanctions violations  JPMorgan record not so clean with money laundering, manipulation	
Minority mortgage customers	2017/24/01	JPMorgan Chase Mortgage Discrimination Lawsuit – U.S. v. JPMorgan Chase Bank NA, Case No. 1:17-cv-00347, in the U.S. District Court for the Southern District of New York	\$55 million	African American and Latino mortgage borrowers	JPMorgan Chase settles mortgage discrimination lawsuit for \$55M	
Inaccurate consumer information	2017/08/03	Consumer Financial Protection Bureau (CFPB)	\$4.6 million	JPMorgan Chase customers	JPMorgan Chase fined \$4.6 million for not guaranteeing accuracy of consumer information	
JPMorgan Chase customer privacy	2017	Michelle James et al. v. JPMorgan Chase Bank NA, Case No. 8:15-cv-02424, in the U.S. District Court for the Middle District of Florida, Tampa Division	\$3.75 million	JPMorgan Chase customers	JPMorgan Chase Bank TCPA class action settlement	
Referral hires	2016/11/17	SEC	\$264 million		JPMorgan Chase to pay \$264 million to settle corruption charges	
Banking violation	2016/11/16	Federal Reserve	\$61.9 million		Federal Reserve Board orders JPMorgan Chase & Co. to pay \$61.9 million civil money penalty	
Lehmann Brothers	2016/01/25	Lehman Brothers	\$1.42 billion	Lehman's creditors	J.P. Morgan to pay \$1.42 billion to settle some Lehman claims	
Shareholders	2016/01/16	JPMorgan Chase & Co. Securities Litigation, U.S. District Court, Southern District of New York, No. 12-03852	\$150 million	Pension funds in the U.S. states of Arkansas, Ohio, and Oregon and in Sweden	JPMorgan to pay \$150 million in "London Whale" U.S. class action	

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	The U.S. Treasury's Office of Foreign Assets Control (OFAC) fined JPMC \$5.3 million in October 2018 to settle JPMC's civil liability for 87 violations pertaining to one or more sanctions programs administered by OFAC: the Cuban Assets Control Regulations; the Iranian Transactions and Sanctions Regulations; the Weapons of Mass Destruction Proliferators Sanctions Regulations; as well as violations of sanctions on narcotics and Syria.	
	JPMC announced a \$55 million settlement for alleged mortgage discrimination, admitting that its wholesale lending brokers "charged minority borrowers more than white borrowers in the same position" (January 2017). The U.S. attorney for the Southern District of New York stated, "Such unequal treatment is not only unfair, but a violation of the Fair Housing Act."	The government alleged that JPMC gave its independent mortgage brokers the discretion to adjust pricing based on factors not related to borrower risk without documentation or justification. The lawsuit also accused JPMC of rewarding brokers with bonuses for charging interest rates above those based on standard credit criteria.
	JPMC was fined \$4.6 million (August 2017) after a consumer agency alleged that the bank "did not have proper procedures in place to guarantee the accuracy of checking account screening reports, which constitutes a violation of the Fair Credit Reporting Act." Consumers were allegedly "unable to open accounts and denied information about why they were rejected."	The Consumer Financial Protection Bureau director stated, "Information about checking account behavior is used to determine who can open a bank account." JPMC "did not have the required processes to report this information accurately, and kept consumers in the dark about reporting disputes and application denials."
	JPMC agreed to pay \$3.75 million to settle a lawsuit claiming the bank violated the Telephone Consumer Protection Act (TCPA) by placing autodialed calls to cell phone numbers that were reassigned from JPMC customers to new cell phone subscribers, thus making calls without the recipients' prior express consent (January 2017).	
	JPMC paid a settlement of \$264 million in response to charges of nepotism (November 2016). The bank "caught the ire of regulators for allegedly hiring and giving internships to candidates based on requests from foreign governments, officials, and clients," a breach of federal law.	The settlement included \$130 million to settle the SEC corruption charges, \$72 million to the Justice Department, and \$61.9 million to the Federal Reserve Board of Governors.
	The Federal Reserve Board ordered JPMC to pay \$61.9 million in civil money penalties for "unsafe and unsound practices related to the firm's practice of hiring individuals referred by foreign officials and other clients in order to obtain improper business advantages for the firm."	
	JPMC settled two outstanding disputes with Lehman Brothers Holdings Inc. and certain Lehman affiliates in which Lehman alleged, inter alia, that JPMC had coerced several billion dollars from Lehman on the eve of its bankruptcy in September 2008, draining Lehman of virtually all liquidity and leading to a bank run that ultimately led to the bankruptcy (January 25, 2016).	Court papers showed that the accord "would permit a further \$1.496 billion to be distributed to the creditors, including a separate \$76 million deposit." Lehman noted over \$105 billion already paid to Lehman's unsecured creditors.
	A federal judge preliminarily approved a class action settlement on behalf of JPMC shareholders who alleged suffering losses as a result of the bank's supplying false and misleading statements concerning the risks and losses arising from the secret proprietary trading activities of the "London Whale," a rogue London-based JPMC trader who caused the bank to suffer \$6.2 billion in losses (January 19, 2016).	Prior to the settlement, the U.S. Federal Reserve's Inspector General issued a report saying regulators had bungled oversight of the JPMorgan unit where the losses took place. The report said examiners in New York spotted risks as early as 2008 but never followed up, prompting criticism that megabanks are too big to manage and regulate.

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Civil money penalties	2016/01/15	OCC	\$48 million	Mortgage owners	OCC terminates mortgage servicing-related consent orders against JPMorgan Chase and EverBank, issues civil money penalties	
Clients	2016/01/06	SEC	\$4 million	JPMorgan Chase clients	SEC: J.P. Morgan misled customers on broker compensation	
Homeowners	2016/01/04	OCC	\$48 million	Lenders	OCC lifts mortgage servicing restrictions on Wells	
Kickbacks and bribery	2016	SEC	\$72 million		JPMorgan's investment bank in Hong Kong agrees to pay \$72 million penalty for corrupt hiring scheme in China	
Clients	2015/12/18	SEC	\$307 million	Mutual fund investors	JPMorgan to pay \$307 million for steering clients to own funds	
Investors	2015/12/15	Hong Kong regulators	\$3.87 million		Hong Kong watchdog fines JPMorgan for dark pool, control failures	
Homeowners	2015/11/02	CA Attorney General	\$100 million	JPMorgan Chase customers	Attorney General Kamala D. Harris announces settlement with JPMorgan Chase for unlawful debt-collection practices	

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	The OCC assessed a \$48 million civil money penalty against JPMC after determining that JPMC violated a 2011 consent order (October 2014 through June 2015) and (between December 2011 and mid-November 2013) "engaged in filing practices in bankruptcy courts with respect to payment change notices that did not comply with bankruptcy rules and constituted unsafe or unsound banking practices" (January 2016).	
	JPMC's brokerage business agreed to settle charges with the SEC that it misled clients and made false statements about how its brokers were compensated (January 2016).	
	JPMC agreed to pay a \$48 million fine for its violations of a 2011 consent order with the OCC arising from its "robosigning" of loan documents and other unsafe and unsound banking practices (January 2015).	
	JPMorgan Securities (Asia Pacific) (JPMorgan APAC), a Hong Kong-based subsidiary, agreed to pay a penalty of \$72 million for allegedly seeking to win banking deals by awarding high-level jobs to friends and relatives of Chinese government officials (November 2016).	According to the DOJ press release, "these quid pro quo arrangements were discussed internally among JPMorgan APAC bankers. For example, in late 2009, a Chinese government official communicated to a senior JPMorgan APAC banker that hiring a referred candidate would significantly influence the role JPMorgan APAC would receive in an upcoming initial public offering (IPO) for a Chinese state-owned company. The banker communicated this message to several senior colleagues, who then spent several months trying to place the referred candidate in an investment banking position in New York. Despite learning from personnel in New York that this referred candidate was not qualified for an investment banking position, senior JPMorgan APAC bankers created a new position for the candidate in New York, and JPMorgan APAC thereafter obtained a leading role in the IPO. Further, JPMorgan APAC employees misused compliance questionnaires to justify and paper over corrupt business arrangements. Employees also used a template with pre-filled answers, including that there was 'no expected benefit' from the hire, and compliance personnel drafted and modified questionnaires that failed to state the true purpose of the hire."
	JPMC agreed to pay \$307M to settle claims with the SEC and the CFTC for failing to disclose conflicts of interest while steering clients into its own hedge funds and mutual funds (December 2015).	
	Hong Kong regulators announced that they had fined JPMC \$3.87 million for various regulatory failures relating to internal controls on short-selling, dark pool trading, and other types of trading (December 2015).	
	JPMC agreed to pay \$100 million in restitution and penalties to settle a lawsuit by the California Attorney General against JPMC over the bank's consumer credit card debt collection practices, including allegations it was robosigning thousands of documents (November 2015).	According to the Attorney General's press release, "Between 2009 and 2013, Chase filed more than 125,000 credit card collection lawsuits against California consumers relying on illegally robo-signed sworn documents and provided an additional 30,000 robo-signed sworn statements in support of lawsuits filed against California consumers by third-party debt-collectors. Chase also made systematic calculation errors regarding the amounts owed, and sold 'zombie debts' to third-party debt-collectors that included accounts that were inaccurate, settled, discharged in bankruptcy, not owed, or otherwise not collectable."

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General public	2015/10/29	In re: Credit Default Swaps Antitrust Litigation, 13-md-02476, U.S. District Court, Southern District of New York (Manhattan)	\$595 million	Investors	JPMorgan said to pay most in \$1.86 billion CDS settlement	
Consumers	2015/10	State of Illinois	\$10.2 million	Mobile customers	JPMorgan gets \$10.2M robocall deal OK'd over objections	
Investors	2015/07/17	Fort Worth Employees' Retirement Fund and other investors (quoted from the articles) Fort Worth Employees' Retirement Fund v. JPMorgan Chase & Co., 09-cv-3701, U.S. District Court, Southern District of New York (Manhattan)	\$388 million	Pension funds	JPMorgan reaches \$388 million accord in MBS investor suit	
Workers	2015/04/02	Loeza et al. v. JPMorgan Chase Bank NA et al., case number 3:13-cv-00095, in the U.S. District Court for the Southern District of California		JPMorgan Chase employees	\$950K settlement reached in JP Morgan Chase bank unpaid overtime class action lawsuit	
Bankruptcy professional violation	2015/03/03	SEC	\$50 million	Mortgage borrowers	U.S. Trustee Program Reaches \$50 Million Settlement with JPMorgan Chase to Protect Homeowners in Bankruptcy	
Investors	2015/01/30	Foreign Exchange Benchmark Rates Antitrust Litigation, U.S. District Court, Southern District of New York, No. 13-07789	\$99.5 million	Investors including hedge funds, pension funds, and the city of Philadelphia	JPMorgan to pay \$99.5 million to resolve currency rigging lawsuit	
General public	2014/11	U.S. and UK regulators	\$996 million	General public	Citigroup, JPMorgan pay most in \$4.3 billion FX rig cases	
Workers	2014/10/10	Commercial real estate appraisers	\$2.4 million	JPMorgan Chase employees	JPMorgan agrees to \$2.4M deal in appraisers' wage suit	
Workers	2014/10/08	JPMorgan Chase Fair Labor Standards Act Violation Class Action Lawsuit – Evan Hightower et al. v. JPMorgan Chase Bank, Case No. 11-CV-01802, in the U.S. District Court for the Central District of California.	\$12 million	JPMorgan Chase employees	JP Morgan reaches \$12M wage and hour class action settlement	



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	A federal judge approved settlement of multidistrict litigation alleging that JPMC and eleven other market participants rigged the credit-default swaps (CDS) market, with JPMC paying the largest portion (\$595M) of the settlement (October 2015).	
	An Illinois federal judge approved a \$10.2 million settlement for a nationwide class of persons who were "robodialed" by JPMC in violation of the Telephone Consumer Protection Act (October 2015).	
	JPMC agreed to pay \$388 million to settle claims by investors who alleged that JPMC misled them about the safety of \$10 billion worth of residential mortgage-backed securities (July 17, 2015).	
	JPMC agreed to settle claims that it failed to pay overtime and provide proper breaks to a California class of underwriters, reaching a \$950,000 settlement (April 2, 2015).	
	The DOJ's U.S. Trustee Program reached a national settlement agreement with JPMC, involving payment of more than \$50 million (cash payments, mortgage loan credits, and loan forgiveness) to over 25,000 homeowners in bankruptcy (March 2015).	In the settlement, JPMC acknowledged filing in bankruptcy courts more than 50,000 improperly signed (under penalty of perjury) payment change notices. At least 25,000 notices were signed in the names of former or current employees "who had nothing to do with reviewing the accuracy of the filings." The other notices "were signed by individuals employed by a third party vendor on matters unrelated to checking the accuracy of the filings."
	JPMC agreed to pay \$99.5 million in response to an antitrust lawsuit; investors alleged that 12 banks, including JPMC, rigged prices in the foreign exchange market (January 2015).	The lawsuit alleged collusion among the banks since early 2003. The 12 banks control 84% of the global currency trading market.
	JPMC agreed to pay nearly \$1 billion to U.S. and U.K. regulators who alleged that JPMC and other banks manipulated the \$5.3-trillion-a-day currency market (November 2014).	JPMC paid \$6 million less than Citigroup's payment of \$1.02 billion to three regulators in the U.S. and UK. In all, six firms (JPMC, Citigroup, and four others) paid \$4.3 billion to four regulators in the U.S., UK, and Switzerland.
	JPMC agreed to pay \$2.4 million to resolve claims that it illegally misclassified commercial real estate appraisers as exempt workers to avoid paying them overtime (October 2014).	Each of 158 employees received approximately \$9,500, and the company pledged to reclassify certain appraisers as non-exempt from overtime.
	JPMC agreed to pay up to \$12 million to settle claims that certain of its tellers and other bank employees (approximately 145,000 employees in 12 states) were not paid proper wages or overtime because JPMC did not count some hours worked (October 2014).	JPMC used an accounting system "that converted worked minutes into fractions of an hour, and then converted that fraction into decimals, which translated to employees not being paid for all the time they worked, according to the unpaid overtime class action lawsuit."

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General public	2014/07/29	Commodity Futures Trading Commission (CFTC)			CFTC fines JPMorgan \$650,000 for inaccurate reporting	
Homeowners	2014/07/15	New Jersey homeowners	\$2.225 million	NJ homeowners	\$2M deal OK'd between JPMorgan unit and NJ borrowers	
Mortgage-backed securities investors	2014/05/02	Plumbers' & Pipefitters' Local #562 Supplemental Plan & Trust v. JPMorgan Acceptance Corporation I, et al., U.S. District Court, Eastern District of New York, No. 08-01713 (reporting by Nate Raymond in New York; editing by Leslie Adler)	\$280 million	Pension funds	JPMorgan \$280 mln mortgage accord gets preliminary court approval	
Consumers	2014/04/23	Consumers	\$5.5 million	438,000 Circuit City rewards credit card holders	Chase to pay \$5.5M to Circuit City credit card fee class	
Peregrine	2014/03/27	Peregrine	\$15 million	Customers	Peregrine bankruptcy trustee, JPMorgan ink \$15M settlement	
Workers	2014/03/25	Kevin Royer et al. v. JPMorgan Chase & Co. et al., Case No. 1:11-cv-08205, in the U.S. District Court for the Southern District of New York	\$16 million	NY and NJ JPMorgan Chase employees	JPMorgan bankers reach \$16M overtime class action settlement	
Madoff victims	2014/01	Department of Treasury, Office of the Comptroller of the Currency (OCC), Madoff victims, and trustees	\$3.054 billion	Madoff victims	<p>OCC assesses a \$350 million civil money penalty against JPMorgan Chase for Bank Secrecy Act violations</p> <p>JPMorgan admits violation of the Bank Secrecy Act for failed Madoff oversight; fined \$461 million by FinCEN</p> <p>U.S. judge OKs JPMorgan \$218 million Madoff class-action settlement</p> <p>SIPA Trustee announces settlement agreements reached with JPMorgan Chase in Madoff fraud</p>	

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	JPMC agreed to settle charges brought against it by the CFTC for filing inaccurate reports to the agency from 2012 and for continuing even after the charges were brought (July 2014).	
	A New Jersey federal judge approved a \$2.25 million settlement between JPMC and a class of consumers who alleged that JPMC charged them late fees on their mortgage payments even when they were on time (July 2014).	
	The U.S. District Court for the Eastern District of New York granted final approval (July 2014) for a settlement of \$280 million to resolve claims brought against JPMC by the Plumbers' & Pipefitters' Local # 562 Supplemental Plan & Trust that JPMC misled investors in billions of dollars' worth of mortgage-backed securities.	
	JPMC agreed to pay \$5.5 million to settle claims made by a class of nearly 480,000 Circuit City rewards credit card holders who alleged JPMC duped them into joining an "interest free" program, then breached their contract by charging class members unexpected fees and interest (April 23, 2014).	
	JPMC and the bankruptcy trustee for Peregrine Financial Group, Inc. agreed to a \$15 million settlement of claims alleging JPMC allowed fraud to occur at Peregrine, which was bankrupted after its founder looted hundreds of millions of dollars from customer accounts (March 2014).	
	JPMC agreed to pay \$16M to settle a class action alleging that it failed to pay overtime to its business bankers (April 2014).	
	JPMC agreed to forfeit to the federal government \$1.7 billion (non-tax-deductible payment) as part of a deferred prosecution agreement relating to its failure to comply with the requirements of the Bank Secrecy Act (BSA) with respect to Madoff's brokerage account (January 2014). JPMC also paid a \$350 million civil money penalty to OCC in connection with its BSA violations, a \$461 million civil money penalty to the Financial Crimes Enforcement Network (FinCEN) for failure to detect and adequately report suspicious transactions conducted by Madoff, \$218 million to settle a class action lawsuit brought by Madoff victims, and \$325 million to settle claims brought by the Securities Investor Protection Act (SIPA) Trustee on behalf of Madoff victims.	Out of the \$3 billion paid, actual victims only received \$218 million.

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JPMorgan Chase force-placed insurance class action lawsuit	2013/12/19	Shelly Clements et al. v. JPMorgan Chase Bank NA et al., Case No. 3:12-cv-01279, in the U.S. District Court for the Northern District of California (multiple plaintiffs between NY and CA)	\$22 million	NY and CA homeowners	JPMorgan to settle \$22M force-placed insurance class action lawsuit	
Libor victims	2013/12	European Union	€79.9 million		EU fines banks record \$2.3B over Libor	
Mortgage-backed securities investors	2013/11/15	21 institutional investors	\$4.5 billion	Investors	JPMorgan reaches proposed \$4.5 billion mortgage securities deal for most trusts	
Mortgage-backed securities investors	2013/11	Department of Justice (DOJ)/Residential Mortgage-Backed Securities (RMBS) Working Group	\$13 billion	Mortgage-backed securities investors across the U.S.	Justice Department, federal and state partners secure record \$13 billion global settlement with JPMorgan for misleading investors about securities containing toxic mortgages	
Fannie Mae/Freddie Mac	2013/10/13	Federal Housing Finance Agency (FHFA)	\$1.1 billion and \$4 billion paid	Fannie Mae and Freddie Mac	JPMorgan Chase pays \$5.1 billion to settle mortgage-backed securities cases	
JPMorgan Chase force-placed insurance class action lawsuit	2013/10	Salvatore Saccoccio et al. v. JPMorgan Chase Bank NA et al., Case No. 1:13-cv-21107, in the U.S. District Court for the Southern District of Florida	\$300 million	FL homeowners	Judge approves \$300M Chase force-placed insurance class action settlement	
Consumers	2013/09	OCC	\$389 million	JPMorgan Chase customers	JPMorgan ordered to refund \$309 million over "unfair" credit card billing	

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	JPMC paid \$22.1 million to settle several class action lawsuits that accused it of force-placing costly flood insurance on homeowners with mortgages serviced by the bank (December 2013).	
	JPMC reached a settlement with the European Commission regarding its Japanese Yen Libor investigation concerning antitrust rigging of benchmark interest rates, agreeing to pay a fine of €79.9 (December 2013).	Fannie Mae filed a lawsuit in October 2013 against nine banks, including JPMC, arguing Fannie Mae lost money on mortgages and interest rate swaps when the banks set Libor rates artificially low. U.S. law firms also led civil actions on behalf of investors claiming losses due to the market manipulation.
	JPMC announced a \$4.5 billion agreement with 21 major institutional investors to make a binding offer to the trustees of 330 residential mortgage-backed securities trusts issued by JPMorgan, Chase, and Bear Stearns to resolve all claims on trusts issued between 2005 and 2008 (August 2014).	
	The DOJ announced (November 19, 2013) a \$13 billion settlement with JPMC to resolve "federal and state civil claims arising out of the packaging, marketing, sale and issuance of residential mortgage-backed securities (RMBS) by JPMorgan, Bear Stearns and Washington Mutual prior to Jan. 1, 2009." JPMC agreed to pay the \$13 billion in exchange for complete civil immunity. The DOJ did not disclose the identity of a single JPMC executive or employee responsible for the bank's actions and did not require that JPMC take any remedial measures to prevent similar misconduct in the future.	\$2 billion as a civil penalty under the Financial Institutions Reform, Recovery, and Enforcement Act \$1.4 billion to settle claims by the National Credit Union Administration \$515.4 million to settle claims by the Federal Deposit Insurance Corporation \$4 billion to settle claims by the Federal Housing Finance Agency \$298.9 million to settle claims by the State of California \$19.7 million to settle claims by the State of Delaware \$100 million to settle claims by the State of Illinois \$34.4 million to settle claims by the Commonwealth of Massachusetts \$613 million to settle claims by the State of New York \$4 billion in relief to aid consumers harmed by the unlawful conduct of JPMorgan, Bear Stearns, and Washington Mutual
	JPMC agreed to resolve, for \$1.1 billion, litigation with Fannie Mae and Freddie Mac concerning mortgage repurchase obligations and also resolved mortgage-backed securities litigation for \$4 billion (October 25, 2013).	JPMC agreed "to resolve all of its mortgage-backed securities (MBS) litigation with the Federal Housing Finance Agency (FHFA) as conservator for Freddie Mac and Fannie Mae for \$4 billion." The settlement, which resolved JPMC's largest MBS case, related to about \$33.8 billion of securities purchased by Fannie Mae and Freddie Mac from JPMC, Bear Stearns, and Washington Mutual. JPMC also agreed "to resolve Fannie Mae's and Freddie Mac's repurchase claims associated with whole loan purchases from 2000 to 2008, for \$1.1 billion."
	A federal judge in Florida approved a \$300 million class action lawsuit settlement resolving claims that JPMC and Assurant Inc. overcharged homeowners for force-placed hazard insurance due to lender-insurer kickbacks (October 2013); the final hearing was on February 14, 2014.	
	JPMC agreed to pay \$80 million in fines and \$309 million in refunds to consumers who were billed for credit monitoring services that the bank never provided (September 2013).	The order to pay a fine and to refund customers came on the same day that U.S. and U.K. officials announced \$920 million in fines to be paid by JPMC over its "London Whale" trading debacle.

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JPMorgan Chase shareholders	2013/09	CFTC and SEC	\$1.02 billion	Investors	JP Morgan Chase agrees to pay \$200 million and admits wrongdoing to settle SEC charges: firm must pay \$920 million in total penalties in global settlement  JPMorgan to pay \$100 million fine on CFTC London Whale claim	
Consumers of electricity	2013/07	Federal Energy Regulatory Commission (FERC)	\$410 million	California Independent System Operator (California ISO) and Midcontinent Independent System Operator (MISO)	JPMorgan agrees to pay \$410 million to settle electricity market probe	
Homeowners	2013/01/07	OCC	\$1.96 billion	Borrowers	Amendment to April 13, 2011 Consent Order	
Municipal bond investors	2012/12	United States District Court for the Southern District of New York	\$43 million	Investors	JP Morgan Chase & Co. Annual Report 2012 (p. 323)	
Mortgage investors	2012/11	Securities and Exchange Commission (SEC)	\$296.9 million	Mortgage investors/RMBS Working Group	SEC charges J.P. Morgan and Credit Suisse with misleading investors in RMBS offerings	
Credit card holders	2012/10		\$1.2 billion	JPMorgan Chase customers	Major JPMorgan Chase settlements and fines	

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	JPMC paid \$920 million in fines to the SEC, Federal Reserve Bank, OCC, and the UK's Financial Conduct Authority to settle claims of mismanagement with respect to its oversight of traders involved in the "London Whale" disaster that caused losses of approximately \$6 billion (September 2013). In addition, JPMC paid a \$100 million fine to the CFTC and admitted to reckless conduct and market manipulation (October 2013).	
	JPMC paid \$410 million to FERC to settle claims of bidding manipulation of California and Midwest electricity markets (July 2013).	FERC investigators determined that JPMVEC engaged in 12 manipulative bidding strategies designed to make profits from power plants that were usually out of the money in the marketplace. In each of them, the company made bids designed to create artificial conditions that forced the ISOs to pay JPMVEC outside the market at premium rates.
	JPMC and a number of other financial institutions entered into a settlement agreement with the OCC and the Federal Reserve Bank providing for the termination of the Independent Foreclosure Review programs that had been required under the Consent Orders with such banking regulators relating to each bank's residential mortgage servicing, foreclosure, and loss-mitigation activities. Under the settlement, JPMC agreed to make a cash payment of \$760 million into a settlement fund for distribution to qualified borrowers. It also committed an additional \$1.2 billion to foreclosure prevention actions, to be fulfilled through credits given to JPMC for modifications, short sales, and other types of borrower relief.	
	The U.S. District Court for the Southern District of New York granted final approval of a \$43 million settlement of individual actions against JPMorgan Chase and Bear Stearns, as well as numerous other providers and brokers, alleging antitrust violations in the market for financial instruments related to municipal bond offerings.	
	JPMC paid \$296.9 million to the SEC to settle claims that the bank misstated information about the delinquency status of mortgages that served as collateral for securities offerings underwritten by the bank. JPMC received fees of over \$2.7 million, while investors suffered losses of at least \$37 million on undisclosed delinquent loans (November 2012).	"The SEC alleges that J.P. Morgan misstated information about the delinquency status of mortgage loans that provided collateral for an RMBS offering in which it was the underwriter. ....J.P. Morgan also is charged for Bear Stearns' failure to disclose its practice of obtaining and keeping cash settlements from mortgage loan originators on problem loans that Bear Stearns had sold into RMBS trusts. The proceeds from this bulk settlement practice were at least \$137.8 million."
	JPMC paid \$1.2 billion (20% of a global \$6.05 billion settlement) to settle claims that it, along with other banks, conspired to set the price of credit and debit card interchange fees (2012).	

NAME	DATE	PLAINTIFF/ OPPOSING PARTY	SUM PAID	PARTIES HARMED	SOURCES	
Truth in Lending Act litigation	2012/07/23	Credit card holders	\$100 million	Customers	JPMorgan Chase settles with credit card customers for \$100 million	
JPMorgan Chase customers	2012/04	U.S. Commodity Futures Trading Commission (CFTC)	\$20 million	Lehman Brothers Inc. customers	CFTC orders JPMorgan Chase Bank, N.A. to pay a \$20 million civil monetary penalty to settle CFTC charges of unlawfully handling customer segregated funds	
Pension funds	2012/03	AFTRA Pension Fund Board of Trustees of the AFTRA Retirement Fund et al. v. JPMorgan Chase Bank NA, U.S. District Court, Southern District of New York, No. 09-00686	\$150 million	AFTRA members, Manhattan and Bronx Surface Transit Operating Authority Pension Fund in New York, and the Imperial County Employees' Retirement System in El Centro, CA	JPMorgan to pay \$150 million over failed Sigma SIV	
Veterans	2012/03	DOJ	\$659 million	Veterans	JPMorgan paying \$45 million to settle mortgage suit JPMorgan Chase to pay \$614 million for submitting false claims for FHA-insured and VA-guaranteed mortgage loans	
Checking accounts	2012/02	Checking Account Overdraft Litigation, U.S. District Court, Southern District of Florida, No. 09-md-02036	\$110 million	JPMorgan Chase customers	JPMorgan settles overdraft fee case for \$110 mln	



	DESCRIPTION (Adapted from jpmadoff.com website)	COMMENTS
	<p>Fourteen lawsuits were filed against JPMC in various district courts in 2008-2009 on behalf of JPMC credit card holders claiming the bank violated the Truth in Lending Act, breached its contract with consumers, and committed a breach of implied covenant of good faith and fair dealing. The lawsuits claimed that JPMC, with little or no notice, increased minimum monthly payments from 2% to 5% on loan balances transferred to consumers' credit cards based on the promise of a fixed interest rate. The U.S. District Court for the Northern District of California certified the class action lawsuit in May 2011, and on July 23, 2012, JPMC agreed to a settlement of \$100 million.</p>	
	<p>JPMC paid \$20 million to settle claims by the CFTC that the bank improperly extended credit to Lehman Brothers based, in part, on commingled customer funds that it was required to keep separate (April 2012).</p>	<p>"...LBI deposited its customers' segregated funds with JPMorgan in large amounts that varied in size, but almost always more than \$250 million at any one time. According to the order, during the same time period, JPMorgan extended intra-day credit to LBI on a daily basis to facilitate LBI's proprietary transactions, including repurchase agreements, or 'repos.' JPMorgan would extend intra-day credit to LBI to the extent that LBI's 'net free equity' at JPMorgan was positive. As of November 17, 2006, JPMorgan included LBI's customer segregated funds in its calculation of LBI's net free equity, even though these funds belonged to LBI's customers, not to LBI...."</p>
	<p>JPMC paid \$150 million to settle claims that it "imprudently" invested pension funds in a risky debt vehicle (March 2012).</p>	
	<p>JPMC paid the federal government a \$45 million fine to settle claims that it charged veterans hidden fees in mortgage refinancing transactions (March 2012).</p> <p>Two years later (February 2014), JPMC agreed to pay \$614 million to settle charges asserted by the U.S. Attorney's Office for the Southern District of New York, the Federal Housing Administration (FHA), and the Departments of Housing and Urban Development (HUD) and Veterans Affairs (VA) resolving False Claims Act, FIRREA and other civil and administrative liability for FHA and VA insurance claims paid to JPMC from 2002 through the date of settlement.</p>	
	<p>JPMC agreed to pay \$110 million to settle claims that it overcharged customers for overdraft fees (February 2012).</p>	

NAME	DATE	PLAINTIFF/ OPPOSING PARTY	SUM PAID	PARTIES HARMED	SOURCES	
The American people	2011/08	Department of Treasury	\$88.3 million		JPMorgan Chase Bank N.A. settles apparent violations of multiple sanctions programs	
Municipal bond buyers	2011/07	SEC	\$228 million	Investors	SEC charges J. P. Morgan securities with fraudulent bidding practices involving investment of municipal bond proceeds	
Collateralized debt	2011/06	SEC	\$153.6 million	Investors	J.P. Morgan to pay \$153.6 million to settle SEC charges of misleading investors in CDO tied to U.S. housing market	
Armed Services members	2011/04	Rowles v. Chase Home Finance LLC, 10-1756-MBS, U.S. District Court, District of South Carolina (Beaufort Division)	\$35 million	Armed Services members	JPMorgan Chase settles military mortgage class action lawsuit  Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, for the fiscal year ended December 31, 2011	
Money market funds	2010/07	State of Florida	\$25 million	Local Government Investment Pool	JPMorgan agrees to pay Florida \$25 million for securities sales	
Great Britain regulators	2010/06/03	Financial regulator in Britain	\$48.6 million	British lenders	JPMorgan penalized by regulator in Britain	
Bond swaps for Jefferson County, Alabama	2009/11/04	SEC	\$722 million	State of Alabama	JPMorgan ends SEC Alabama swap probe for \$722 million	

	DESCRIPTION (Adapted from jpmadoff.com website)	COMMENTS
	JPMC paid the Treasury Department \$88.3 million to settle claims that it improperly processed transactions in violation of sanctions laws against Cuba, Iran, and Sudan (August 2011).	The Treasury Department's Office of Foreign Assets Control (OFAC) determined that the violations "were egregious because of reckless acts or omissions by JPMC." OFAC determined that "JPMC is a very large, commercially sophisticated financial institution, and that JPMC managers and supervisors acted with knowledge of the conduct constituting the apparent violations and recklessly failed to exercise a minimal degree of caution or care with respect to JPMC's U.S. sanctions obligations."
	JPMC paid the SEC \$228 million to settle charges that it fraudulently rigged at least 93 municipal bond transactions in 31 states, generating millions of dollars in profits (July 2011).	This was the SEC's third settlement with a financial institution stemming from investigation of corruption in the municipal reinvestment industry. The SEC charged Banc of America Securities (BAS) with securities fraud for similar conduct in December 2010. BAS paid over \$36 million to settle the SEC's charges, and an additional \$101 million to other federal and state authorities. In May, 2011, the SEC also charged UBS Financial Services (UBS) with securities fraud for rigging bids. UBS paid \$47.2 million to settle the charges as well as \$113 million to other federal and state authorities.
	JPMC paid a penalty to the SEC of \$153.6 million to settle charges that it failed to disclose material information to investors in collateralized debt obligations (CDOs) (June 2011).	According to the SEC allegations, JPMC knew in March/April 2007 that it faced growing financial losses from the CDO deal. "The firm then launched a frantic global sales effort...that went beyond its traditional customer base for mortgage securities." The SEC press release cited the JPMorgan employee in charge of the CDO deal's global distribution as stating on March 22, 2007, "we are soooo pregnant with this deal, we need a wheel-barrel to move around. ... Let's schedule the cesarian (sic), please!" The securities lost most or all of their value within 10 months.
	JPMC agreed to pay a total of \$60.4 million to settle claims that the bank overcharged active or recently active military service members on their mortgages (April 2011). Payments included \$27 million in cash to approximately 6,000 military personnel and \$33.4 in various other payments; JPMC also agreed to lower interest rates and fees in excess of that permitted by the Servicemembers Civil Relief Act (SCRA) and the 2008 Housing and Economic Recovery Act (HERA) on soldiers' home loans and to return improperly foreclosed homes owned by borrowers protected by SCRA and HERA. Later, additional borrowers were added to the class, and JPMC agreed to pay an additional \$8 million into the settlement fund.	Under the terms of the settlement, JPMC agreed to pay \$12 million to plaintiffs, \$6.4 million to military personnel wrongfully foreclosed on, \$27 million to 6,000 active-duty military personnel overcharged on their mortgages, and \$15 million for additional damages determined on a case-by-case basis.
	JPMC paid \$25 million to settle claims that it sold unregistered securities to a state-run municipal money-market fund that suffered a run on deposits because it held defaulted debt (December 2010).	
	JPMC paid \$48.6 million to settle claims by Great Britain's financial regulator that JPMC's London unit failed to maintain required separation between customers' funds and JPMC funds (June 2010).	JPMorgan failed to separate client funds worth \$1.9 billion to \$23 billion from 2002 until July 2009. The regulator stated that the fine was meant to "send out a strong message to firms of all sizes that they must ensure client money is segregated," with "several more cases in the pipeline."
	JPMC agreed to a \$722 million settlement with the SEC to end a probe into sales of derivatives that helped push Alabama's most populous county to the brink of bankruptcy (November 2009).	



NAME	DATE	PLAINTIFF/ OPPOSING PARTY	SUM PAID	PARTIES HARMED	SOURCES	
Enron scandal	2005/06/15	Regulators and plaintiff lawyers	\$2.2 billion	Investors	Settlement in Enron lawsuit for Chase	
WorldCom	2005/05	Comptroller of New York	\$2 billion	Bond investors	J.P. Morgan Chase settles WorldCom suit for \$2 billion	
Enron scandal	2003/07/28	SEC	\$135 million	Investors	SEC charges J.P. Morgan Chase in connection with Enron's accounting fraud	
Conflicts of interest on investment research	2002/12	Regulators, led by New York state Attorney General Eliot Spitzer	\$80 million	Investors	Wall Street firms to pay \$1.4 billion	

## flabbergasted<sup>adjective</sup>

flab·ber·gast·ed | \ 'fla-bər-ga-stəd \

Definition of flabbergasted

: feeling or showing intense shock, surprise, or wonder : utterly astonished

flabbergast[ flab-er-gast

verb (used with object)

to overcome with surprise and bewilderment; astound.

First Known Use of flabbergasted

1773, in the meaning defined above



	DESCRIPTION (Adapted from jpmadoff.com website)	COMMENTS
	JPMC agreed to pay \$2.2 billion to settle a class action lawsuit alleging that JPMC helped Enron report misleading financial results (June 2005).	
	JPMC, which helped underwrite \$15.4 billion of WorldCom's bonds, agreed in March 2005 to pay \$2 billion (46% or \$630 million more than if it had accepted an investor offer in May 2004). JPMC was the last big lender to settle, making the second largest payment in the case (behind Citigroup's \$2.6 billion in 2004).	
	The SEC charged JPMC with aiding and abetting Enron's securities fraud, alleging that JPMC "aided and abetted Enron's manipulation of its reported financial results through a series of complex structured finance transactions, called 'prepays,' over a period of several years preceding Enron's bankruptcy." Enron used the transactions to report loans from JPMC as cash from operating activities. "The structural complexity of these transactions had no business purpose aside from masking the fact that, in substance, they were loans" from JPMC to Enron. Between December 1997 and September 2001, JPMC effectively loaned Enron approximately \$2.6 billion via seven such transactions.	
	In December 2002, JPMC paid fines totaling \$80 million split across states and the federal government as part of a settlement involving charges that ten banks, including JPMC, deceived investors with biased research. The total settlement was \$1.4 billion and required that the banks separate investment banking from research, and ban any allocation of IPO shares.	

<https://esg.solari.com/jpmorgan-chase-selected-legal-regulatory-and-enforcement-settlements-2002-to-2019/>







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