

What is the purpose

I- What is the purpose of this website?

The “London Whale” case is a huge trading scandal that occurred at the CIO of the US bank Jp Morgan in second quarter of 2012. It is not pictured correctly by any public report so far. There are topics that investors, employees, and the public in general should be aware of :

- 1- The bank Jp Morgan had long ordered the controversial trades that would cause the scandal in 2012. Whatever the loss that burdened its CIO unit, irrespective of the “element of surprise” that the bank may allege, the firm as a whole made much, much more money through the event. The senior executives knew their actions were border line though since 2010 at the latest. Some events in 2009 and early 2010 are important clues to that: the VAR reports changed in September 2009, Bill Winters was fired abruptly next, a “cushion/reserve” of \$300 million was ignored by CFO in December 2009, the book had to be “killed” on the follow in January 2010, Dimon and Cavanagh came to visit CIO London but not Iksil in early March 2010, new liquidity reserve rules were enacted in late March 2010 but were next not enforced, Cavanagh the then CFO suddenly changed cap in June 2010, the CFO of CIO left 4 months later for undisclosed reasons in November 2010, right when Iksil got a “chocolate medal” promotion. Regulators sent warning letters precisely then....
- 2- The senior executives chose indeed “Iksil” to work as a “screen” for them in late 2010. It was a complete setup manufactured around RWA projective but pointless modeled reductions and misleading risk reports about stress test limits breaches. The executives promoted “Iksil” without changing his role and responsibilities. They gave him quite specific paradoxical orders despite his alerts all along 2011 and 2012. They finally left his name being relentlessly placated through the media starting on April 6th 2012 as things were just getting worse and worse for them.
- 3- Some authorities have not performed their duty, far from it as the public reports show for those who know the case in depth. The “screen guy” complains against the UK regulator today, namely the FCA with good reasons. It may not stop at the FCA...
- 4- At the end of the day about \$50 bln changed hands in the second quarter 2012 between a mass of investors and some “happy insiders”. Jp Morgan made about \$25 billion or more on the event for itself as its public accounting reports show through the generation of what is called “tangible capital” or “hard capital” (10-Q and 10-K reports filed with the SEC).
- 5- One may summarize the trading scandal as: when the CIO of JP Morgan had lost \$1 billion dollar, Jp Morgan as a whole had made \$4 billion for itself net of its CIO loss. The Jp Morgan CIO lost in whole \$6.3 billion which led to an ultimate profit at Jp Morgan of more than \$25 billion in 2012.

A full disclosure of the existing evidence should be made in the public. The media were wrong on the respective roles held by the individuals involved from the very start. They were misled in 2012 and remain so in 2017. As a result the market players and the investors were also misled. They were therefore induced into making trades that they would not have done otherwise. A today-estimated \$50 billion amount changed hands through this “London whale” event. The transfer of money was sparked by fears ignited among investors. They were falling under the influence of misleading reports about

the CIO” tranche book” positions. There were also misleading statements made by the bank Jp Morgan repeatedly. Many investors were scared by an uncertainty that should have been cleared in few short sentences. They could easily have been issued by the bank in early April 2012. These crucial sentences never saw the light of day. Those sentences could have been: " *Bruno Iksil is just executing our instructions here. Yes he warned us many times. We know accurately the amounts at stake thanks to him. There will therefore be no surprise on our side. These trades definitely balance existing exposures that we monitor closely every day. Markets are today illiquid and unable to gobble our largest exposures anyway. These exposures are in the well advanced process of being deconsolidated this year since we do not try to unwind them in the markets. All this is planned since 2010. The regulators are involved of course and support our initiative in full. The book is already in post mortem mode. We have known since 2007 actually that the positions are illiquid and alone would cost \$billions to unwind even in stable markets like the ones we've had since 2009 onwards. The credit index and synthetic tranche market is surely dying since 2009. Yet the bank is going to generate a lot of tangible capital thanks to this operation that is in fact an internal collapse of toxic 'synthetic tranche' risks. We will return a lot of money to our shareholders as a result and make our depositors safer than ever. Our bondholders shall therefore also benefit from what is a massive deleveraging of our balance sheet. Jp Morgan share price at last will trade above its book value for good reason and profits will increase in 2012 looking forward*". The project had been sketched by Dimon in person through an investors' presentation made in September 2010 that also had been filed with the SEC at the time (see in particular pages 31 to 34 about RWA reduction, credit derivatives books between IB and CIO which projected to be in run off while sharing 50/50 diversification benefits). Therefore all this was true, was already documented and the simple reminder above would have settled the fears in the markets. But then the ultimate gain may not have been that big for JpMorgan, depending upon where the IG9 skew was being quoted when the collapse would occur.... Instead of sending this reassuring message, Jp Morgan fueled the Wall Street Journal and other media with highly personalized and misleading anecdotes about "Bruno Michel Iksil". Those anecdotes had no relevance but to set the employee under harmful spotlights. Even the most aggressive media admitted that they always wondered who "Bruno Michel Iksil" was other than a series of nicknames. They could not figure out what he was doing at Jp Morgan. These statements of the bank were not quieting the speculators at the time, far from it. As to the investors who lost money, they acted in the blind. Doing so, they supported the real manipulation that was already under way since early January 2012. Some happy insiders made fortunes at the detriment of those fooled investors. The former mostly went away with their profits in June 2012. This is at that time that they were aware that the bank would not unwind with them the CIO positions at stake. The investors in whole realized soon after that the bank Jp Morgan had never been really endangered by the "CIO tranche book" exposures. The bank earnings were damn good! They somewhat sensed that they had been manipulated. But because the real facts and evidence were never properly exposed to them they stuck to the parochial myth of the "rogue trader" for want of choice. As the US Senate report clearly stated on page 14 though: "*By digging into the details of the whale trades, the Subcommittee investigation has uncovered systemic problems in how synthetic derivatives are traded, recorded, and managed for risk, as well as evidence that **the whale trades were not the acts of rogue traders, but involved some of the bank's most senior managers***". However the US Senate report did not set the proper light on the actual plans that JP Morgan had had since 2010 about this tranche trading book of CIO. The plan was known though to be in its final stage of execution in early 2012. That "tranche book" of CIO was to be "off-shored" to some hedge fund along with other similar "basis risk" positions existing at the Investment Bank of Jp Morgan. The most surprising thing is the systematic silence of just all the authorities which were involved with this long planned collapse. One evidence of that silent but known longtime involvement is found in what Barry Zubrow, the chief Compliance officer of Jp Morgan in 2012, had expressed

through a 68 pages long letter on the 13th February 2012 (almost 2 months before the very first articles). This letter explained in detail why the Volcker Rule in particular had forced the bank to operate this transfer and collapse. None among the authorities being the recipients of the 68 pages letter of Zubrow would ask any question then (as far as the public record shows) or claim later that they needed further explanations on that well advertized project. Instead none of them would bring to light their own due diligence of the time in relation to this 68 pages long letter. This silence here aggravated the misinformation of those market players who had lost money. They wished they had at last grasped the “London connection” between the US Volcker Rule and this planned collapse bridging over the Atlantic Ocean. Being misinformed once more on the genuine nature of the trading scandal, those investors could not claim back the money that had been lost.

Some evidence of that series of manipulations does exist however already in the public domain. It is buried mostly in the exhibits that were attached to the US Senate Report (March 2013). It can be uncovered with just basic common sense but it requires a lot of time. It should be publicly disclosed in full and with the proper light. More, only a small fraction of the existing evidence on that matter is available today for the public eye through the US Senate report exhibits (see the document called “June 2016 Project letter. Pdf” available on this site). And this small fraction itself is sort of buried in the middle of 2500 pages with no thread to guide the reader. Some additional depositions and some additional testimonies should usefully be made public now and would helpfully complete the picture, 5 year after the events. It matters....

It is about one of the biggest market manipulation on record. And there is much more to discover ...The initial “target” of the media, of the bank and of all the authorities involved, namely in administrative files “Bruno Michel Iksil”, has testified 6 times already : before the bank’s lawyers in May and June 2012, before the DOJ-SEC-FBI-CFTC (April 2013 without any cooperation agreement in place then- and June 2013), before the FCA (July 2013-No cooperation agreement) and again before the SEC and the defendants’ lawyers (September 2016). On top of this, the “key witness”, the “man at the center of all this” has answered questions at the SEC’s convenience face to face over 27 days between November 2015 and early September 2016 (before the last deposition to date). This amounts to about 13 full days of cross examination plus 27 days of questioning, making thus 40 days in total. The counter has not stopped yet. The “questions and answers” sessions and the testimonies repeat the very same version of facts but this version remains all under confidential seal still in 2017. This version disproves critical parts of what has been commonly understood in the public so far through the reports conveyed by either the bank, the US Senate, the FBI, the SEC, the DOJ, the CFTC or the FCA. The facts that are still misunderstood mostly concern the executives in charge of the book, the genesis of the trades, the genuine manipulation of the markets, the valuation process in force at the firm, the ultimate gain that Jp Morgan made in 2012 and onwards through this scandal.

Indeed, the “London Whale” is a genuine scandal. It appears to be a genuine manipulation of the markets, a genuine manipulation of the bank accounts, and a genuine manipulation of the media. It may be even worse than that if the final outcome on the “London Whale” is the one that prevails today in 2017...The case has kept surprising the opinion since 2012 and is left today in controversial shadows. There is one core reason to that : the one human being that the bank, that all the authorities and that most media had targeted from the very start faces no charge in 2017. However he has testified multiple times for 5 years and he still is on the hook. Somehow the media, the bank which let the legend grow all along to say the least, and the authorities were all wrong. But that is not all.... Iksil also complains against the FCA. Why the FCA? The abuses of the UK regulator to date are the most obvious and the easiest to trace. For example, the FCA did NOT give a chance to Iksil to refute the allegations that the FCA would make public in its final Notice where it settled with Jp

Morgan about the “London Whale” (September-October 2013). This as such may be benign if the official statements had been accurate... Or this may really be the tip of an iceberg if these statements were not....The FCA made at the time many public statements on the “London Whale” case. But Iksil would refute them indeed through his earlier interview. Iksil would even disprove the FCA for many of them also in the course of his earlier interview. Thus the FCA knew with certainty when it issued its final Notice with Jp Morgan on September-October 2013 that Iksil could prove the UK regulator wrong on some of its public statements. In parallel the UK regulator knew that its statements exposed Iksil harmfully and unfairly so under the public sight. The UK regulator knew that many statements were strongly disapproved by Iksil as they were harming his reputation and his daily life to say the least. The FCA thus propagated sentences that made Iksil look like a rogue person against the facts and evidence of the time in front of a public opinion that demanded harsh justice against the “traders”. One should usefully refer to the UK FSMA 2000 Act on the matter which mandates the FCA instead to give this opportunity to targeted individuals so that they can refute on the record on behalf of Human rights (a commitment endorsed by the UK long, long ago). The initiative was in the camp of the FCA alone as the UK regulator knew very well. Iksil had to remain silent at the time just to prove his good faith in front of the FCA process launched against him. So Iksil waited for the FCA to end its long investigation on him first and complained right after that. The FCA took its time to address this complaint: 18 months....The FCA finally alleged in 2017, after receiving the complaint of Iksil in August 2015, that “Iksil” was not recognized with certainty in its 2013 statements on the “London Whale”. The FCA advised Iksil to go through a costly and lengthy procedure named “section 393” in order to secure that indeed “Iksil” was associated with the FCA statements made about the “London Whale”, that had been made in the public domain and infamously exposed “Iksil”.

What a paradox when the FCA itself targeted “Iksil” in July 2012 without having met him once before! This paradox is all the more surprising as the FCA had been demanding a “close and continuous supervision” specifically on the “CIO tranche book” since November 2010 at the latest...That is some 21 months BEFORE its official targeting of “Iksil”. This “close and continuous supervision” process of the FCA was quite precisely defined by the UK regulator and quite demanding. It involved the top management of the bank, the compliance officers of Jp Morgan and required the CIO to provide every information that was deemed significant with regards to this “CIO Tranche book”. The FCA was well aware already of the risks that this book contained already in November 2010. The ‘correlation’ risk and the ‘concentration’ risk are the 2 main factors behind the ultimate \$6 billion loss that afflicted this book in 2012. The FCA knew the whole issue since late 2010, met many times with CIO and Jp Morgan top managers, read certainly the many articles printing between April 2012 and June 2012 but never tried to meet with Iksil until July 2012. One can safely infer from that sole fact, that the FCA started its investigation against Iksil only on the basis of the cumulated many media reports and the suggestions made by Jp Morgan in July 2012. But in 2017 the FCA was not so sure any longer whether Iksil actually was the “London whale” right? Who could guess today that the UK regulator has doubts about the fact that “Iksil” is associated with the “London Whale” event after one 3 years long investigation, one complaint and 18 months of allegedly thorough analysis? The Complaints commissioner in the UK arrived at the same advice though: “Iksil” should make sure that indeed he is recognized when the FCA makes statements on “trades”, “traders”, and “market manipulation” on the “London Whale” case. The Complaints Commissioner reached its conclusion in about 3 months without expressing the need to talk to “Iksil” at any point in time. That is clear. It is crystal clear all of a sudden: there is no need to talk to the victim who complains. Who would do that in other circumstances? The police? No, they surely never talk to the persons who come to them to complain against abuses... They reply straight to the victim in written form to say that, “thank you. We sympathize but nothing happened as you imagined. We will call you back if needed.

Go back home. Forget about all this”... The victim imagined all this. That is for sure... Likewise, the human rights defense organizations, they never talk to the victims, no. Instead they watch TVs, read articles and make their own assessment based on what they want to see on screen. They make ads, raise money but they do not reach out to the victims to know better. They just never do that. That is a well known fact, isn't it?

Irrespective of what the UK authorities advise in 2017 on the matter, after all their own publications, “Iksil” is central in whatever touches upon the “London Whale” case since April 6th 2012 for any other observer to see like Jp Morgan itself and many market players. Aside from just all the media on the planet who automatically stick the “nickname London Whale” upon “Iksil” still in 2017 again and again, the best proof comes from the US where “Iksil” serves as a key witness for the US authorities still in 2017 after all his 6 former testimonies. Given that the media association of “Iksil” with the “London Whale” since 2012 is mechanical, the advice of the UK authorities in 2017 so far is for “Iksil” to spend a fortune in legal fees in order to make sure this “infamous recognition” is official indeed while the whole planet makes this mechanical association since 2012....This is quite far from the alleged commitment towards Human Rights that Tony Blair avowed in the past on behalf of the UK in 1998. By the way Tony Blair was a special adviser for Jp Morgan at the time...(See articles like this one dated January 2008 <http://www.telegraph.co.uk/news/politics/labour/1575247/Tony-Blair-to-earn-2m-as-JP-Morgan-adviser.html>.) This overall shocking situation was flagged somehow by a famous newspaper. The renowned weekly UK newspaper “The Economist” titled its article about the settlement that the authorities had arranged with Jp Morgan about the “London Whale” in September 2013 “**When the fine is a crime**”

(see <http://www.economist.com/blogs/schumpeter/2013/09/jpmorgan-chase>)

“As punishment for the London whale's losses, the bank will lose still more....

Offstage, other regulators are negotiating still stiffer penalties.....

....It would be a surprise if any of the justification for the fines given during their announcement goes beyond what JPMorgan Chase has already said. What is unlikely to be mentioned is the fact that the losses were entirely contained within JPMorgan Chase itself, with the bank continuing to produce record profits.

*All of this raises a question about whether losing money itself has become a crime—and whether that is a reasonable approach. Ordinarily, advancing this view would be JPMorgan Chase's job, but America's large banks are now increasingly subject to broad and vague regulations. **There is little doubt that the bank had little choice but to settle.** In addition to the whale case, it has recently been hit by a series of other investigations.*

*Many of JPMorgan Chase's competitors privately believe that the actions against the bank are less retribution for any legal offense the bank might have committed than punishment for Mr Dimon's willingness to attack the deluge of rules as counter-productive. And then, they say, **there is the bank's ability to afford stiff fines. If so, these fines truly are a crime.**”*

So who is the bad guy here? The Economist spots an issue with the fines and the incompleteness of the “justification”. One may summarize as :” what is the point of making new laws if the enforcement is not fair?”

When one looks a bit deeper into the case, especially the way the FCA processed its investigation, this outcome is not so unexpected.... The UK employer Jp Morgan breached all its duties, violated its own

avowed standards and its human rights self-avowed commitments when it terminated Iksil. And the UK regulator would never care to hear about this, ever... Which employee today in the UK would expect that outcome for himself or herself whatever the rank in the hierarchy? For example, the employer Jp Morgan of the employee Iksil never offered him a chance to talk to the media in April, May or June 2012 to dismiss the legend in the making. Instead the employer Jp Morgan formally forbid the employee Iksil to talk to the media then, conveying a threat towards him verbally and in emails of huge potential lawsuits if he spoke up (Artajo, security staff, Drew, compliance). Artajo would state in front of Iksil who precisely wanted to disprove publicly the content of the first seminal "London Whale" articles: *"If you talk to the press, the bank is going to hammer you. They will go after you. They will take everything from you: your money, your assets, your family, everything! This is the problem of the bank that the bank is handling itself. You weigh nothing on the balance for them. Don't talk."* Ina Drew would call Iksil on April 11th or 12th 2012 to assure him that they were in the same boat where Iksil was already. The security staff dispatched by Dimon to take care of Iksil would convey similar messages: *"do not talk as big corporations like Jp Morgan play with high stakes in such cases... they may recourse to extreme means against you"*. Compliance emails would be quite clear and well worded reminders of the very same Damocles sword. But Jp morgan also tried to make Iksil trade again at the time against his well expressed will. The employer Jp Morgan indeed also dispatched CIO executives from New York towards the 23rd April 2012 to pressure gently Iksil to resume trading right in the middle of the media storm, suggesting that this is how he would restore his reputation (Irv Goldman on behalf of Drew). But those executives never sent the emails giving the instruction itself that Iksil had asked for. Was it so necessary to trade through Iksil in April 2012 actually for Jp Morgan executives? Where is the part of improvisation here? As of May 1st 2012, Ashley Bacon (deputy Chief Risk Officer of Jp Morgan in whole) replied to Iksil's suggestion to start unwinding the problematic IG9 10 year position by saying that the bank would never do that since the offsetting exposure was already present. As Bacon stated then, the problem for the bank was not with the IG9 10yr exposure but with the super-senior tranche exposures. Yet Bacon could not explain to Iksil what he meant by that other than *"we manage the optics for regulators here"*. As of May 3rd 2012, the brand new executives dispatched personally by Jamie Dimon to the CIO London offices, namely Rob O'Rehilly and Ashley Bacon, quite formally but verbally ordered Iksil to make one trade in the markets. Iksil had expressed to them his preference for avoiding trading at the time. They insisted verbally so on the grounds that they wanted him to show up in the markets, something which for them may bring up specific information about the market mood. Iksil complied, executed that one trade they had demanded and reported back to them on what he had seen in the markets. In return they sent an email this time to Iksil alleging that he had acted without telling them in advance. Iksil replied by email on the follow reminding them that they were the ones ordering Iksil to execute this trade. Iksil specified on the occasion that he had expressed many times before his personal wish to stop trading in whole. Neither Bacon nor O'Rehilly would come to speak to Iksil or answer Iksil's latest email. Instead they would talk to Artajo. And Artajo would then come to talk to Iksil asking *"They made a mistake here. They are sorry. No more emails Bruno Please! Let's talk! No more emails please..."* O'Rehilly would next come to Iksil to say *"I apologize. My bad..."* . O'Rehilly had been the sender of the accusing email. And that admittedly was O'Rehilly's mistake "in hindsight" as Dimon would likely say. Iksil shall not receive any further instruction to execute any trade on the follow... On the 6th and 7th May 2012 Achilles Macris and Menashe Banit will be writing a presentation for Ina Drew to be made for regulators. It touched upon the very last trades of March 2012 which were a problem because they aimed at avoiding trading on the IG9 already. Macris had ordered Iksil to be in the London office on that Saturday 5th May2012 *"first time in the morning- it is an emergency"*...Iksil will arrive at 7h00 AM London and will be alone! Iksil will work all along as per the explicit former instructions of Macris. Macris and Banit requested Iksil's help for the technical details that would

come as a supplement to the document that they would write. Banit will only arrive at noon and Macris at 13h00 London time that day. In fact they made Iksil write things first. Then they distorted what Iksil had written transforming the original explanations into a clumsy language. Macris and Banit will then issue many intermediate versions of theirs. And ultimately they would send on the 7th May 2012 an email to Iksil for him to approve the contents of their ultimate version of this presentation for Drew but they all of a sudden titled their email as “Bruno’s presentation”. Iksil replied correcting with “Ina’s presentation” and adding the technical appendices that Macris and Banit had removed in the first place. Ultimately Artajo will describe the slide to Drew in a final conference call with Drew and Macris where Iksil attended but will not speak at any time; not being invited to. As to the technical appendices that Iksil had prepared no one will ask any question. It is not even sure it has been communicated to the regulators involved. Banit will be promoted managing director in 2012 even though Macris would be fired few weeks later....As of May 8th 2012, Artajo learnt that the controller Webster had validated the way CIO had produced its in-house estimate valuation for March 2012 despite the well known and well understood price differences existing with the Investment bank. On the same day Ashley Bacon will then state to the CIO London staff working on the ‘tranche book’ that Jamie Dimon would make statements very soon that would likely make the share price dive in the short term. Yet, as Bacon specified, the profits of the bank were not at risk and the share price would rise again soon after. On the follow Artajo will tell Iksil that Dimon was forced to make those upcoming statements because the Var issue was a genuine embarrassment that would push the CEO to hammer his CIO on the public stage. Dimon will make his statements on May 10th 2012. They were misleading and harmful against Iksil. On the 11th May 2012 Iksil will send an email to human resource or PR staff to complain about the highly misleading characterizations that the CEO of Jp Morgan had just made. Iksil’s role was really quite nastily and badly described by his own employer here. (Iksil by the way will repeat his disagreement in front of JP Morgan lawyers and Whilmerhale lawyers in late June as an introduction to his 2 days interview with them. None among the say 10 lawyers representing Jp Morgan will ask Iksil to explain what he meant by that remark...) Certainly by another mere coincidence, on the Saturday 12th May at 21h30 Paris time, a top security staff of Jp Morgan will knock on Iksil’s door in France to summon him. Tim Mc Nulty will state that his big boss Frank Bisignano and the CFO of Jp Morgan wanted Iksil to take the first hour train to London on the Sunday 13th May 2012 in order to answer questions for the firm’s CFO. Iksil will refuse on the grounds first that he had no contact with finance people anyway and on the grounds that he was exhausted (already diagnosed by a doctor as in Burn-out. The firm knew it at the time when it summoned Iksil like that...). Was this a new emergency driven by some last minute surprise factor? Iksil received a call from Bisignano that Saturday night at around 23h00 where Bisignano wanted to know where the presentations and other spreadsheets of Iksil where stored. Iksil complied at once and offered to make himself available for a phone call all along the Sunday to the CFO staff if they had any question to ask. That could be made on the phone....Bisignano agreed Iksil’s offer then. Iksil will not receive a single call from Jp Morgan that Sunday 13th May 2012. Ina Drew will be retired with a golden parachute on the Monday 14th May 2012 despite her gesture on the last 2 years bonus that she gave back. The computers at CIO will be seized, something that Ashley Bacon will nervously characterize as “ridiculous”. A US lawyer at Jp Morgan (as per Artajo) was then in the CIO London office flipping slides that Iksil had dispatched to his management chain earlier in 2012. Iksil had not been told of this lawyer but he had noticed that the new guy on the open space who was flipping through former Iksil’s slides. Iksil asked Artajo what this guy was doing here. Artajo replied that this was one top Jp Morgan lawyer coming here in London from New York to scrutinize Iksil’s work. Iksil then introduced himself to this lawyer, offering to explain what he had meant to say. This lawyer offered an enigmatic smile. He then kindly but quickly dismissed Iksil’s invitation continuing his own reading alone. This lawyer shall never come back to Iksil to ask any question about those slides. All was crystal clear it seems. As

of May 15th 2012, ie the next day, as the refusal of Iksil to trade was notorious now, Matt Zames (then the brand new CIO chief) and Daniel Pinto had set an agreement for CIO to trade in the market with the Investment Bank at a certain pre-defined price. The Investment Bank sales person (James Pearce) covering CIO at the time then pressured Julien Grout to make the trade at a price that stood outside of the market quotes observed by Grout at the time independently of the IB. Grout refused to execute the trade. Pearce insisted arguing that Pinto and Zames had already agreed the trade. That was a threat. Grout freaked and talked to Iksil about that. And Iksil informed Artajo of the incident. O'Rehilly went back, not Artajo, to Iksil (not Grout) assuring him that Grout had been right and that the IB sales representative would be "sanctioned". O'Rehilly also expressed his preference for CIO to keep adopting observable market prices that differed from the Jp Morgan Investment Bank traders' prices or from the market consensus like Totem or MarkIT. O'Rehilly was clear: these IB prices or those consensuses were unreliable for practical uses. Surprisingly O'Rehilly worked at the Investment Bank on the desk managing the counterparty risks of Jp Morgan and expressed a strong distrust towards them, the IB traders : "they hate me as much as they hate you guys". He justified his preference here alleging that otherwise the IB traders would fully take control over the valuation of CIO and that was a perspective that he O'Rehilly hated for his own normal tasks. O'Rehilly was dispatched here at CIO only on a temporary basis. His job was at the IB, dealing with counterparty risks on behalf of the whole firm. As such he had different objectives than his fellow traders at the IB as he explained. Indeed, should the CIO stop sending concurrent prices to him O'Rehilly, he would no longer have precious concurrent pricing sources for his own routine duties inside the IB as the man in charge of hedging the overall counterparty risk. CIO was almost as big a counterparty risk generator as the IB traders were altogether. The price differences were thus clearly known, desired and reconciled daily at Jp Morgan at least to help O'Rehilly perform his own normal job at the IB. This simple fact goes against the official mismarking theory of Jp Morgan. As per Grout's later account in early June 2012, this IB sales person would never be sanctioned in any way... Iksil could not check on that anyway. After that date of May 15th 2012, Iksil will be strongly invited to take some rest by Human resource staff and next to stay at home while the bank let the media spread the word that Iksil was fired. That rumor popped the very same day when Human resources ensured that Iksil was not physically in the office any longer. Iksil asked the Human resource department about this rumor. Jp Morgan Human resource representative, Lorraine Flemming, flatly assured that there was no such plan at Jp Morgan about Iksil. Yet the bank Jp Morgan did not convey such a clear message to the media at the time... Iksil soon recovered from the Burn out at the end of May and offered to return to the office in writing. Human Ressource representative Lorraine Flemming called Iksil asking him to stay out of the office until further notice. Iksil would thus stay at home next at the instruction of Human Ressource staff of Jp Morgan for the foreseeable future from June 1st 2012 onwards...

The termination letter that the employer JpMorgan issued against its employee "Bruno Michel Iksil" in July 2012 would be just a short list of false and harmful allegations known as such at the time by the employer. In particular the employer invented at the last minute some responsibilities for Iksil that Iksil never had had notoriously so. Of course those last minute "findings" bore on the trading strategy, the valuation decision process and the many warnings from Iksil that apparently had never existed. Those brand new found responsibilities would not be discussed either on the 28th or on the 29th June 2012 while Jp Morgan Lawyers and Whilmerhale lawyers defending JP Morgan grilled again Iksil with questions for 2 full days. Instead the lawyers in the room heard quietly Iksil say that he disagreed openly with the recent statements of Dimon. They would not budge. They likely knew already that they were to attribute those fake responsibilities at the last hour but they would not check whether that had any semblance of truth during those 2 days with Iksil face to face. They simply moved on with their questions which suggested a clear knowledge of what Iksil's actual role was at Jp Morgan CIO,

stopping right when they knew Iksil would not be able to answer. However the bank was quite assertive in its termination letter against Iksil on the 12th July 2012, ie some 13 days later without consulting with Iksil in the meantime. In its termination letter the employer Jp Morgan attributed to the employee Iksil discretion in trading and decision powers about the “CIO tranche book” that specifically Iksil had not had notoriously so inside the firm throughout the 6 years Iksil had worked at CIO. This last minute invention of Jp Morgan can be uncovered quite simply by noticing in the US Senate Report exhibits that Iksil is almost never a recipient in the email chains where the decisions were taken about the “CIO tranche book” at stake in the scandal. At best Iksil is sometimes CC-ed for his information by Artajo who is the regular recipient and participant in decision meetings. The employer also denied in this termination letter the significance of Iksil’s elevations that notoriously again caused major changes at the CIO about this book. For example the “CIO tranche book” was prepared to die no later than July 2011 (the events occurred in April 2012- see eventually one day the “strategy 27” creation in documents in June 2011). This event had come after Iksil had warned in late March 2011 (yes 2011- not 2012) the whole CIO management chain, face to face in London, that the positions could simply not be unwound cheaply in the markets in the foreseeable future. Another one of Iksil’s alerts in January 2012 sparked the demotion of his manager (Javier Martin-Artajo) by his own managers (Drew, Macris with the very official help of Jp Morgan Human Resource department). Risk management was aware. Iksil was NOT aware. It was hard to deny the significance of this alert of Iksil though. Yet the employer Jp Morgan fully denied it in the termination letter issued against Iksil on the 12th July 2012. This demotion of Artajo would remain unbeknownst to Iksil inside CIO at the time. As it would turn out risk management staff, financial staff, top managers including Artajo himself and human resources were all aware of that turn of event but they all left Iksil in the blind pretending that Artajo had the very same responsibilities that he had had in the past. What Iksil saw was that Macris was very worried and upset against Artajo in early February 2012 because of the loss that was growing in the “CIO tranche book”. Still Macris, rather than freeze the trading after a renewed alert of Iksil advising to stop trading again, will order Artajo to take the plane to New York, obtain unlimited risk extensions to keep growing the positions temporarily as Drew had ordered few days before. And Artajo, freshly demoted, will apparently take the plane to New York and obtain those quite temporary risk limit extensions with the explicit help of the firm’s CFO Doug Braunstein and the firm’s Chief Risk Officer John Hogan (search the US Senate report exhibits dated February 3rd for “Wilmot”, for “IRC/CRM” split in March 2012, and February 9th 2012 for “Weiland”). Another alert of Iksil sparked the “freaking” moment of Ina Drew, the higher most executive of CIO, still way before the articles on March 22nd 2012. It is an event that the US Senate report and the Jp Morgan’s Task Force report cited as a significant event but in 2013 only, ie 6 to 7 months AFTER the termination letter of July 2012. The employer also re-invented out of the blue the decision process that presided over the daily estimation of the performance of the CIO positions at stake. There is a lot to say on that sole matter.

For its part, the FCA in August 2012 endorsed all those false allegations of the UK employer Jp Morgan to finally be dismissed internally in full by its own RDC committee in April-June 2015. The RDC committee, as if by coincidence, had been created to ensure that the FCA indeed did respect its commitment to human rights protection. It is hard to figure when exactly the FCA dismissed itself in full internally in 2015 since the UK regulator breached also here its self-avowed duty of transparency and accountability in the process by not updating Iksil as things evolved. The FCA has not provided any explanation to Iksil to date as to why it dismissed itself at the last hour in 2015 while it had maintained the very same flawed theory since August 2012. Iksil only got one tip from one article printed in 2017....The FCA tells more to the journalists than to the person they have targeted for years at times, even though the “target” had asked for an explanation something which the FCA flatly refused to provide...The FCA also dismissed the subsequent request of Iksil to have access to the

documents that the FCA had deemed “un-supportive” of its own initial theory regarding Iksil’s conduct. Likewise the FCA omitted to inform the public that it had dismissed itself in full through the RDC committee internal review of what the FCA may call its “findings”. The FCA has thus turned quite secretive all of a sudden while having made so many loud statements and vows publicly against the “London Whale” in the past years. One can usefully read the statements of Tracy McDermott at the time, the chief enforcer of the FCA in 2013. What did the UK regulator have to hide from the public? What did the UK regulator have to hide from Iksil here among the undisclosed interviews and emails of phone call transcripts that involved Iksil’s managers or the FCA itself at the time? Nevertheless a leak slipped into the press in July 2015 that the FCA had initially planned to require a fine of £1 mln against Iksil... This leak was harmful to Iksil and completely unsubstantiated other than by the media-driven stereotypes since the FCA had just dropped everything internally. The FCA would certainly not claim that it authored this quite defamatory leak. But what a peculiar prism in this leak! Certainly Iksil would not volunteer for that to happen. Jp Morgan is not supposed to be aware or even less keen to volunteer this leak. Who else then is the author? This “leak” occurred after the FCA RDC committee had opted to drop just all the potential charges and one can only wonder why this leak occurred at such a late stage.... How could that leak occur other than from the FCA ranks AFTER the FCA had fully dismissed itself on the “Iksil case”? Since then the FCA never attempted to publicly substantiate either why it had initially reached such “findings” or why it ultimately dismissed itself internally in full on those same “findings”. Only the damaging and defaming “leak” remains in the public domain as of June 2017...The FCA made subsequently no effort to finally communicate and correct the shots. Likewise the employer Jp Morgan did not offer a single chance to put on the record Iksil’s full disagreement with just all the allegations that the employer had prepared to use against its employee the 12th of July 2012...The FCA would not care as a key financial market watchdog, despite its self-avowed commitment to protect the people employed in the financial industry.... The now former employer Jp Morgan or the FCA never offered a chance to the former employee Iksil to disprove those allegations of theirs later on based either on the real duties and responsibilities that the employer Jp Morgan had actually attributed to Iksil in 2012 and before or, on the million documents that the employer Jp Morgan had turned over to the authorities about the employee Iksil. Some of those documents, that the employer very reluctantly turned over to the authorities in September 2012, changed critically the view of the US authorities themselves about the actual role played by Iksil. These documents displayed quite explicit and accurate alerts sent by Iksil all the way up to his management chain at CIO way before the dramatic events. Those alerts, starting in March 2011 (yes the year 2011- not the year 2012), although referenced now for some, have been diverted from either their content, or their purpose or their context in the public reports. For example, they are listed in the Task Force Report of jp Morgan (January 2013) as significant events that should have prevented the catastrophe in the making. But Mike Cavanagh on behalf of the CEO and the board of JP Morgan, opted to leave unknown the name of the author forever, while most of the time the author was Iksil. The US Senate report lists some of those same alerts with the same overall appreciation that they were quite critical but distorts either their accuracy, or their content, or their purpose or their impact on CIO’s management. The US investigating authorities never clearly explained those alerts as well and why they had been so instrumental for them from the very early stage of their own investigations and onwards. They even went as far as leaving some ambiguity here in their public statements as to the actual significance and magnitude of those alerts of Iksil (see here the FBI statement, the DOJ Preet Bahara’s statements and the SEC Georges Canellos’ statements in August 2013 during their press conference)....

The case of the FCA requires quite a longer development on its own on the matter... For one to see just the tip of the iceberg here, one has to know that the FCA interviewed Iksil only once and did not

even complete the questions that it had planned to ask Iksil in the first place. For example, the FCA reviewed in a very strange fashion the genesis of the trading orders that Iksil had to follow. What a paradox after one full year of patience! The FCA investigation teams had “THE trader” right in front of them, compelled to reply truthfully (a call that at their entire discretion by the way) to their questions bearing upon one of the biggest trading scandal to date. The FCA had claimed for itself a “maximum credible deterrence” policy against this kind of alleged misconduct. But here the FCA only tried to impose its wording expressing want of time about the “trading strategy” that had been glued on “THE trader”’s back. That was in early July 2013 and the FCA still had 2 more years to proceed and dig further. There was no questioning on the FCA part in fact. There will no questioning in the next 2 years. The UK regulator though has been quite unprofessional here. The FCA in July 2013 was just making statements in front of Iksil, speaking fast in a sophisticated English language and waiting for Iksil to object. Still Iksil-the-French objected with his sometimes clumsy English and disproved those mischaracterizations of the FCA live during the interview. The FCA then asked no questions in return, did not look for clarification, and moved on. All this shows clearly in the interview transcript of Iksil. One wonders here whether the UK regulators really investigated what had happened or instead simply tried to supersede facts with a knowingly flawed theory of theirs. Ignoring Iksil arguments of July 2013 and ignoring facts of 2012 indeed, the FCA would stick to its main mischaracterizations of the trading strategy in its future public statements of September-October 2013. These mischaracterizations proved to be key in reaching a “settlement” with Jp Morgan to make the official theory look just credible. The UK regulator in concert with JpMorgan would clamor that it was the fault of the traders down there while all the trades resulted from orders repeated against the advice of Iksil and orders being issued from the top of CIO hierarchy. One can find an email from Ina Drew dated 10th January 2012 ordering to stop unwinding and to “maximize P&L” (US Senate Report exhibits)...There is more to see on the same line of consideration with regards to the alleged mismarking of the CIO tranche book. In quite a similar fashion indeed, the FCA simply did NOT review the interactions of Iksil with the controller Allistair Webster when the latter came to CIO In early May 2012 to scrutinize the March 2012 estimated valuation. Instead, the FCA quite superficially reviewed with Iksil what the price controller Jason Hugues had done or said in early April 2012 about the March 2012 month end valuation. Again the FCA would allege “want of time” but the FCA never ever suggested a second interview with Iksil between July 2013 and February 2015 to complete its investigation. Iksil had explained Webster very accurately how and why CIO front office prices may have differed from the market consensus observable mid prices. The approach in general was simply different and had been instructed to be different by CIO management as early as 2007. Webster in person reconciled the differences with Iksil live in a casual conversation based on simple and small tables that Iksil had specifically built for Webster at Webster’s original request to Grout (Webster would generally talk to Grout or Artajo for valuation issues). Webster would recognize that the tables of Iksil were quite “helpful” though. Webster would compute aloud the adjustment that might be required. All this was clear intuitive and plainly understood by the controller. Only the controller Webster could make the final reconciliation as he alone could access the consensus “mid prices”. All this called for an adjustment that Webster computed aloud indeed while talking to Iksil based on the limited data they were discussing. It is really too bad because Webster ultimately did NOT implement this adjustment that he discussed with Iksil live at the time in early May 2012. Yet it is this March 2012 valuation that has been alleged to be fraudulent by the UK employer Jp Morgan and the UK regulator the FCA repeatedly so in 2013 and onwards because a price adjustment was missing. The ultimate amount that only Webster could compute from his controller’s seat was worth \$307 million at CIO, a figure that Webster put in his May 10th 2012 report (available among the US Senate report exhibits but unlabelled- thus only well informed reader can pick it up). The issue may have been here that another similar adjustment was ALSO required on the Investment Bank side at the same time.

Who other than Webster could tell? One clue indicates just that and it is the ultimate basis for the restatement of July 2012. If the bank is to be believed, the total reached \$600 million or so for the whole firm. Having all this information on avail way before filing its 10-Q report on May 10th 2012, Jp Morgan senior executives decided to place just NO adjustment despite those well flagged and fully explained price differences be that for CIO or for the Investment Bank. That the FCA knew it perfectly well It would have been so “helpful” to check that with Iksil, wouldn’t it? The FCA just never even tried.

More, while the FCA claimed for years that Iksil had been “central” in the fraud the UK regulator only interviewed Iksil once and never even suggested to meet with him again despite its largely unfinished questioning plan. Still the FCA found the time to interview Julien Grout 4 times (at least), Javier Martin-Artajo 2 times at least and Achilles Macris 2 times at least. Thus the alleged “central” character in the FCA public stance for so long has been the one that has been the least questioned through the FCA investigation and this in a very summary fashion overall. The tip of the Iceberg does not stop here....Some other “details” revolving around the ‘transcription errors of the FCA’ of calls and of Iksil’s unique interview would uncover quite unexpected “coincidences”. Thus the FCA, in preparation for the interview, had put words in the mouth of Iksil through some transcripts at times that had no chance to have existed for quite objective reasons. For example Iksil simply could not use some idiomatic English expressions that he did not know the meaning of (who knows what “to keep to our system” means?!). Likewise the FCA made Iksil say to Artajo on the 23rd March 2012 once “I told him” while Iksil said “He told me” which was clearly what the context of the call indicated. The recorded call is crystal clear for those who wonder and is spelled in English. Thus there is not even a translation issue here. These were just plain basic common sense objections that the FCA at the time of the interview admitted on the recorded tape in early July 2013. But in 2015 the FCA would “forget” what Iksil had clearly stated, even if that was something which the FCA had recognized live, alleging instead in 2015 that Iksil could not tell or had forgotten. The FCA was clearly oblivious of its own statements here. That was one key outstanding “finding” though of the FCA preliminary investigation report that will be dismissed in full by the RDC committee a few weeks later in 2015. The FCA would also operate quite significant truncations in the draft transcript of the unique interview of Iksil at moments when the record was crystal clear. Those truncations, by a unique coincidence, allowed to misinterpret in a 180° U-turn who was giving the orders be that for valuation or trading at CIO. Likewise, by another string of mathematically almost impossible coincidences, the 4 human beings FCA staff who prepared this draft transcript of Iksil’s interview during 4 weeks, left about 130 major “transcription mistakes” (almost 1 per page) that all lined up extraordinarily well to support 3 major “180°” gross mischaracterizations. Thus those quite unfortunate errors all lined up to make believe that there was “some liquidity” in the positions, that the CIO chiefs wanted to reduce the positions, that the estimate P&L report was a typical US GAAP compliant mark to market report. Those 3 allegations however had been proved wrong by Iksil testimony in front of the FCA and the UK regulator had had to face evidence proving Iksil right all along. One can again have a look of the “June 2016 project letter.PDF” file for public referencing that shows that the FCA knew it was plain wrong on those matters. It is therefore stunning that none of the 4 FCA staff who drafted the transcript for 4 weeks and none of the FCA investigation staff noticed those 130 major errors. It is all the more surprising as the FCA was at the time in final negotiations with Jp Morgan on settling about the “London Whale” case. Yes those “make believe” errors were instrumental in supporting the coming “settlement” that the FCA was finalizing with Jp Morgan at the same time. All this occurred indeed between July 2013 and October 2013 right when the FCA wrote its final notice in close interaction with Jp Morgan against a “heavy historical fine”. Was this the “maximum credible deterrence” that Tracy McDermott had in mind back in 2012? It is even more stunning that it took the FCA 2 months

to accept the corrections while the record of Iksil's interview was crystal clear. Based on those obviously flawed documents and analysis, the FCA and Jp Morgan the employer therefore produced other documents for the public eye that basically let people believe that Iksil may have acted in the markets in a way that may have been potentially inducing a market distortion. The "mays" and the "potentials" were numerous but the suggestion was quite strongly worded, hammered as if a truth by the UK regulator and the employer Jp Morgan in a well coordinated manner.... With such display of self-confidence, it is another coincidence here that the FCA omitted to submit to Iksil what it planned to state in its final notice with Jp Morgan. Right then the FCA was still renegeing at recognizing the gross transcription errors of the interview. It is one more coincidence that the "errors of the FCA" were corrected very soon after the FCA and Jp Morgan had publicized their co-written final notice in October 2013. Iksil had to remain silent then as he was still under investigation but not planned to be interviewed again even once as the future would show....As if by chance once more, the FCA staff will change and the UK regulator will just postpone on an on the publication of its "conclusions" for another 15 months until February 2015. This new coming FCA staff on the case never felt the need to meet Iksil in preparing the "findings" report for 2015. This unexpected string of well lined up coincidences is complemented by another fact: the FCA never found the time over those 15 to 18 months to review properly the trading evidence that the FCA had at its disposal, and which Iksil however had strongly recommended to analyze in early July 2013. As a result the FCA made nonsensical and counterfactual statements about the operations that Iksil had executed in the markets at the time of the events on behalf of Jp Morgan. And the UK regulator would never try to correct its mistakes here. It is one last coincidence that the FCA "dropped" its investigation of Grout and Artajo in 2014 while maintaining its targeting of Iksil and still not reviewing the trading evidence appropriately. Still the FCA would never try to interview Iksil if only to complete its own initial questioning plan...The FCA had therefore quite a peculiar obsession with "Iksil". What about the other documents like the "close and continuous supervision" letter of November 2010 (see Macris vs FCA February 2016)? One would realize for example that the UK regulator had been explicitly quite concerned by the "CIO tranche book" since 2010 indeed. The FCA recognized this "correlation book" as "concentrated". The FCA knew the name of Iksil since 2005. Still the UK regulator would never try to meet Iksil between September 2010 and July 2012. Yet in the meantime the FCA explicitly wanted to know everything that mattered about this book and ran several meetings with CIO management for that very specific purpose. More the FCA shall clearly express a desire to question Iksil but only after July 2012. Iksil would never be invited to those former meetings by anyone at CIO. A further analysis of the supervision run by the FCA would show how involved and aware the UK regulator had been all along since late 2010 about the travails that the "CIO tranche book" was already experiencing. In particular the UK regulator was informed of the permanent concentration risks all along 2011, the growing losses in 2012 and the well advanced project to have this book "off shored" away from the bank Jp Morgan. The UK regulator also knew much more than it stated publicly about the way the ultimate "mismarking" allegation has been built clearly "in hindsight" around June 2012. Abundant evidence of that must exist and should be made accessible to the public. For the trading evidence the picture is even clearer: there are written chats that display in full details how Iksil executed the orders. There is here no information missing since Iksil traded in a fully traceable format through those written chats. There are in particular chats dated 4th, 11th, 12th January 2012, calls dated 9th and 10th February 2012, Bloomberg chats on the 28th and 29th February 2012 and a phone call from Gabriel Roberts (Citigroup) on march 1st 2012 that leave no doubt as to who the actual manipulators were. As a result the actual market manipulation would become all the more obvious to any outside observer of those chats. As said above, the elements that have been just mentioned are indeed just the tip of the iceberg. A lot more will likely be uncovered with the disclosure of the investigation materials of the FCA....And, as said before, all those elements are just the tip of the iceberg....

Still, despite the absence in the public domain of the aggravating facts mentioned above, the bank admitted publicly in late 2013 some wrongdoings. The admissions were mere smokes and mirrors. Those wrongdoings pervaded at every level of the hierarchy of the firm though. Some regulators like the OCC (US Senate Report) and Federal Reserve (OIG report October 2014) were faulted. 2 “traders” only were charged....The case yet remains very poorly described to date....The purpose of this website is to provide the plain light on those alerts and the surrounding context. As said in preamble, this account is a combination of personal experience and inferences based on public documents.