

## Preamble

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This account of the “London Whale” case is based on 5 years of continuous in-depth analysis. The study was based on the documents available in the public domain. I have cross-referenced them with my experience of the time. On the face of it, this account looks quite different from the testimonies that I gave to the authorities. This superficial difference appears because I learnt only after the facts of lot of actions that had been undertaken purposefully by my employer. Those actions were done unbeknownst to me at the time of the events. Still the present version that I expose here is fully consistent with my former testimonies that were done in the course of the subsequent investigations. But this account also includes later inferences of mine. This website thus provides the summarized combination of my anecdotal experience and the findings that I arrived at through time over the last 5 years. Of course I have only tried my best to reconcile my living experience with the evidence that I have seen. This has been thus a work of reconstruction on my end. There was certainly a good dose of improvisation at the top of Jp Morgan. It also turns out that my former employer did conceal a lot of key information from me in 2010, 2011 and 2012. And Jp Morgan still conceals key events from the public eye in 2017. The main area of concealment lies around the long anticipated closing of the “tranche” business at the IB-“Credit Hybrids” desk and the associated “tranche” exposures of CIO. This is a cornerstone in the genesis of the “London Whale”. This critical decision of Dimon, the CEO of Jp Morgan, sometimes in 2010 is the key to understand at last the standing paradoxes and counter-intuitive outcomes of this scandal. I do not know everything today since all this was decided way above my head in quite formal meetings that occurred between the bank senior most executives as early as 2010. Yet I arrived at a pretty comprehensive and consistent picture of what happened. I want as many people as possible to see from within JpMorgan with my eyes today how this trading scandal arose and how it has been handled by the authorities. Many readers will find the text dense and at times difficult to grasp. I apologize for that. What makes it difficult is not the underlying trading and banking universe that is pictured in the background. The real challenge is that this case is just a series of smokes and mirrors. Some were unintended likely so some would say as an excuse. Some others among those smokes and mirrors were deliberate. As to the latter they have been planted here quite thoughtfully by very smart and powerful people. One clue can be found in the US Senate Report exhibit through an email that Ina Drew wrote to herself on the Jp Morgan internal email in capital letters sometimes in May 2012, right in the middle of the storm. It would be “unmissable” for any coming investigation....

Of course, this is just my version of facts. But it brings up quite useful insights for anyone to see and to try over time to understand the scheme at play. I reckon the outcome of the “London Whale” will have deep rooted consequences as to how any front office employee, any middle office employee, any back office employee, any risk control employee, any financial department employee, any compliance employee may in the future be sued abusively to cover some wrongdoings that were all orchestrated by the senior executives. The big US bank would always try to excuse itself hiding behind “complexity”, or unexpected events. But one must bear in mind that since January 2011 the bank could always have collapsed the problematic tranche positions since that was anyway a long planned internal collapse that was at play. The actual “timing” of this collapse looks very much determined by the profit that would be realized by the bank through the event. It is about \$25 billions or more. The “London Whale” event shows that there is a definite price for human lives that remain undisclosed but was clearly considered by the decision makers. At a certain level of projected profits a large company is allowed to literally destroy lives of innocent people especially if they are innocent but embarrassing witnesses of a scam that is being deployed unbeknownst to them. And this phenomenon may not stop

at the sole banking sector since the abuses that I have seen were quite generic in nature. Anyone should build his/her own opinion on this matter before it is too late and before the “London whale” case serves as jurisprudence. It is good to bear in mind that as of today the case is not closed with regards to the top executives as individuals (DOJ statements August 2013).

Preet Bharara 14<sup>th</sup> August 2013: “The investigation remains open”- see also The Guardian the same day in “*US prosecutors charge two JP Morgan traders over 'London Whale' incident*”

*“Setting out the state's case at a press conference in New York, the city's attorney general, Preet Bharara – referring to JP Morgan boss Jamie Dimon's initial dismissal of the potential losses – said: “This was not a 'tempest in a teapot', but rather a perfect storm of individual misconduct and inadequate internal controls.”*

*Bharara refused to comment on whether other JP Morgan bankers would face charges. “The investigation remains open,” he said. »*

And one month later, while Dimon had reached a public settlement with the authorities, Carl Levin who chaired the US Senate investigation committee on the case wrote on his website as a comment on the settlement that had been reached with the firm as a whole:

Car Levin 19<sup>th</sup> September 2013 : « ***the whole issue of misinforming investors and the public is conspicuously absent from the SEC findings and settlement*** »

*“The size of the penalties is testimony to the great damage risky derivatives bets can do, and that's important. However, the whole issue of misinforming investors and the public is conspicuously absent from the SEC findings and settlement. Our PSI investigation showed that senior bank executives made a series of inaccurate statements that misinformed investors and the public as the London Whale disaster unfolded. Other civil and criminal proceedings apart from this settlement are continuing, so there is still time to determine any accountability on that matter.”*

The case is not closed yet but it seems to close like a dead-end looking forward where the executives themselves are apparently not held accountable as individuals.

One salient benefit the reader of this website can get is that not only I have been placed “at the center of all this” by the media and Jp Morgan in 2012 but also I have remained “the central key witness” until June 2017. Thus I may be wrong in my inferences at times but the anecdotes and accounts of my own experience at Jp Morgan are useful insights in any case. Indeed I testified many times between 2013 and 2016 facing numerous questions and reviewing many documents. This has allowed me to keep my memory fresh all the more so as the pressure on me has not gone away be that from the media stand or from the different regulators stand including those who woke up quite lately in 2016 and 2017 like the Federal Reserve or the OCC. The bank JpMorgan would never make the effort to alleviate this quite unfair discrimination against me. Whatever the dose of improvisation, it was just pretence all along on the bank’s Public Relation and top management side. I signed a cooperation agreement with the US department of Justice and the SEC in late June 2013. People tend to believe that this is a sort of free pass for me to tell anything I want next. This is wrong. Firstly, the whole case is built upon “millions of documents” to paraphrase the FBI and the SEC, that focus on my role, my actions, my duties at the time. I certainly did not have the benefit of the doubt when the authorities definitely wanted to talk to me in July 2012 and onwards. They will all talk to me first for one full day at least without any agreement in place. Secondly, at any point in time in the future which does not have any deadline set in 2017, the DOJ or the SEC commission can decide on their own unchallenged

judgment that I have not been truthful. Here they would dismiss the number of years of questioning I will have gone through with their investigations teams. They would accuse me irrespective of whatever their staff thinks on the matter. They would dismiss the fact that the staff shall never have expressed a disagreement in front of me with my former answers so far. They would ignore the fact that in my deposition the staff would not challenge at any point in time in a whole week my testimony. There is even much more to say about the CFTC. Indeed this market watchdog had me sign a cooperation agreement but never tried to question me seriously. Still it signed a flawed version of the facts with Jp Morgan in October 2013 with regards to a quite tentative theory of a market manipulation. What did the CFTC have to lose checking with me first whether its future statements were right? Well they did not try their chance here. This is therefore just a mere coincidence if some of their statements were plain misrepresentations. But I could not denounce it since I was under “cooperation” with the CFTC on paper...This cooperation agreement so far has mostly prevented me from resuming working for practical reasons and has kept me in an almost complete silence towards the public. How not to be suffocated? Who can live a balanced life being in practice prohibited from working, confined to home waiting to be summoned across the Atlantic, defamed in the media without having an opportunity to speak up officially, spending all the past savings accumulated for years without having any chance to contribute for retirement age any longer? What model and example could I show as a husband and father of 4 here? I thus have had to shoulder this infamous and unfair reputation that no authority denounced as such while hearing me again and again saying the same account for years now and counting.

If I am here able to write this website in 2017 it is because I have been very lucky indeed. The bank trapped me in a situation where I had to prove myself my complete integrity against the stigma that was put on my shoulders. Contrary to any other individual involved most likely, it was not enough in my case that the regulators may not be able to prove a fault. The stigma had been planted already on my name by the media and my employer. The authorities had the public opinion warmed up. They just had to launch suspicions however vague they might be. That would do the job for them. I was the one who had to eliminate the benefit of the doubt that was planted in favor of the original accusers at the start. In jargon, I had to overcome the burden of proof, not the opposite despite what many authorities and the bank still might claim. This would just be a pure pretence on their side. This website will show it in many instances. I have been very lucky. This luck took many faces. But one key factor was that fortunately I had written emails, I had made statements in recorded calls and I had made alerts on slides that, unbeknownst to me, revealed both the scheme that the bank senior executives were building and my complete integrity. There was not much room left to improvisation in what the top senior executives did. It is revealed indirectly by many several alerts of mine. Ironically this magical outcome comes in part from the fact that in those documents one can observe that I trust fully those who are digging my tomb knowingly so. No-one should hope in the future to have my luck in a similar situation all the more so as the senior executives will have learnt the lesson for the next time they undertake a similar plot. The behavior of the Federal Reserve and the OCC in that regard should deserve a much closer scrutiny than the one it has had so far. Yet, despite the ongoing hassle, I fulfilled my duties with regards to all the regulators expressing a wish to talk to me, with or without any cooperation agreement in place. My answers never changed and this website only complements consistently those quite consistent answers. Those testimonies of mine were bound mostly to provide answers based on my knowledge as it was in 2012 or before. None of those ‘question and answer’ sessions cared about what I had inferred later on once I had seen critical documents in the public domain way after the events. The investigation teams knew better since they had had full access to senior executives’ emails and other documents. They truly did not require my “testimony” for things that the firm surely kept away from my eyes in a concerted manner. Yet between 2012 and 2017 I

have not seen a single glimmer of hope that the truth would be conveyed in the public domain unless I spoke up. Thus I could permanently contrast during the last 5 years what I knew then and what I know now without being influenced by any of those investigations as such. I do not know what their case is actually.

This website thus gathers as many anecdotes as it does many inferences. As such it differs from my depositions in the wording and the storyboard. The main reason is that at the end of the day I was merely a marionette for Jp Morgan all along in 2012 and before with regards to what was going on at the CIO London office. As such the content of this website may spark reactions from the authorities involved today on the case albeit in a shadowy fashion. Yet this website offers today a quite comprehensive view of the “London Whale” case. There are still parts missing that could be found in documents that should be made public, today, 5 years on .... A French version will follow soon. This will prompt me to correct the current text as my English is sometimes quite clumsy. I apologize in advance to the natural English speaking readers for the inconvenience this may cause to them.

Special mentions:

- 1- This site is written by myself, Bruno Iksil. It is written in a way that aims at bringing up information to the public eye. Given that many reports used the name “Iksil” quite misleadingly, I will avoid using personal pronouns for the sake of clarity. Those reports were in plain mismatch with my job, my role, my actions and my alerts. My employer clearly always avoided making the needed clarifications until 2017. Thus I found more explanatory to stick with the stigma “Iksil” to show the ongoing absurdity that those public reports have conveyed. This underlines the steady peculiar complacency of Jp Morgan among others.
- 2- Some upcoming references to the US Senate report or the Task Force Report may look slightly offset due to undisclosed subsequent changes that were made to the original reports. This is true in particular for a couple of pages present in the exhibits that are attached to the US Senate Report. Those pages concern the CIO business Review slides that were presented by Ina Drew to Jamie Dimon as of February 29<sup>th</sup> 2012. These pages were detailing the internal stress scenario exposures of CIO books. Those CIO projections differed from the firm’s own projections for CIO. This suggested that there existed some “modeling risks”, some uncertainty in capital terms, being worth tens of \$ billions for the CIO exposures alone inside Jp Morgan. It is enough to read the valuation policies of Jp Morgan that are available in the US Senate report exhibits still today. One would also have to refer to some SEC annual report of 1992 and the “group of 30” report of 1993 among subsequent reports of the OCC, the ISDA etc.... This simple fact though called for tens of \$billion of reserves that were never taken if one believes the 10-Q and 10-K reports of Jp Morgan. Those parts of this output of CIO models were published initially in the exhibits of the US Senate report. They proved the “miss” on the reserves. Whatever the ultimate amount that is missing here it dwarfs the official well advertized restatement that Jp Morgan felt compelled to confess in July 2012. The slides that show this huge miss on the reserves would be redacted at a later stage quietly after 2013 in the exhibits themselves. Some footnotes numbers have been changed too for undisclosed reasons....These redacted parts were targeted specifically as one can see on the following exhibit that Drew presented CIO to the DRPC board risk committee as of March 20<sup>th</sup> 2012. She then was using the peculiar reference date of March 6<sup>th</sup> 2012 for performance data. This day was critical as being allegedly the very same day when an order that came from NY CIO executives to alter the London estimate performance report would later appear to be a fraudulent order in the official thesis deployed by the bank. Why did Drew pick that date

which was a Tuesday, 14 days before the meeting date, 6 days after a reference month end date that she should have used instead? For illustration go to [exhibits redacted](#)

- 3- You can reach out to me through this email address by the time I am able to set a convenient chatting facility on the website itself. Please bear in mind that I really am alone in addressing your future emails. Please also consider that I am alone in conveying those facts and inferences today.

The email address is: TheLondonWhaleMarionette@Gmail.com