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New York, New York 10001

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May 1, 2022

*BY ELECTRONIC MAIL*

Investor Relations

Board of Directors, JPMorgan Chase & Co.

277 Park Avenue

New York, NY 10172-0003

[JPMCinvestorrelations@jpmchase.com](mailto:JPMCinvestorrelations@jpmchase.com)

***Re: JPMorgan Chase Board of Directors ESG Marketplace Manipulation***

Dear Board of Directors:

xNY.io - Bank.org recently contacted JPMorgan Chase's board of directors to communicate our concern(s) that potentially JPMorgan Chase may be engaging in exploitation of more than \$100B of ESG asset liabilities,<sup>1</sup> across international regulatory arbitrage structures, while headquartered in Manhattan.<sup>2</sup> Specifically, the duty to promote the success of the company is that a director must act in the way that she

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<sup>1</sup> <https://www.wsj.com/articles/russia-war-exposes-weakness-in-esg-fund-11648765019>

<sup>2</sup> <https://scholarship.law.cornell.edu/cgi/viewcontent.cgi?article=1836&context=cilj>

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considers, in good faith, and would be most likely to promote the success of the company for the benefit of its members as a whole.<sup>3</sup>

- Failure by a board to adequately consider ESG-related risks, particularly entity-specific compliance risks such as breach of securities laws, could serve as the basis for liability of individual directors or officers for breach of their fiduciary duties.<sup>4</sup>

Given JPMorgan's five court felonies,<sup>5</sup> xNY.io - Bank.org is concerned with your board of director governance<sup>6</sup> in preventing ESG fraud.<sup>7</sup> xNY.io - Bank.org's assessment of JPMorgan's board embraces fundamentals including liquidity risk and protecting New York ESG cross border innovation from marketplace manipulation.

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<https://www.law.ox.ac.uk/business-law-blog/blog/2017/09/section-172-uk-companies-act-2006-desperate-times-call-soft-law>

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<https://corpgov.law.harvard.edu/2021/12/08/directors-fiduciary-duties-and-climate-change-emerging-risks/>

5

<https://wallstreetonparade.com/2021/07/after-jpmorgan-chase-admits-to-its-4th-and-5th-felony-charge-its-board-gives-a-50-million-bonus-to-its-ceo-jamie-dimon/>

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<https://www.justice.gov/opa/pr/jpmorgan-chase-co-agrees-pay-920-million-connection-schemes-defraud-precious-metals-and-us>

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[https://www.researchgate.net/profile/Sanjeev-Gupta-9/publication/234791577\\_Governance\\_Corruption\\_Economic\\_Performance/links/00b7d520d3e3c53a2a000000/Governance-Corruption-Economic-Performance.pdf](https://www.researchgate.net/profile/Sanjeev-Gupta-9/publication/234791577_Governance_Corruption_Economic_Performance/links/00b7d520d3e3c53a2a000000/Governance-Corruption-Economic-Performance.pdf)

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- According to JPMorgan's August 2021 Sovereigns and ESG whitepaper, the bank states that governance carries the largest weight of the three ESG pillars across scores, as it is the most empirically relevant for asset prices.
- JPMorgan notes that philosophically, the bank views good governance as a foundational pillar for positive ESG developments in other pillars.<sup>8</sup>

Today's memo follows protocol suggested by the United States of America, in that JPMorgan Chase's board of directors is responsible to xNY.io - Bank.org's enterprise and the Department of the Interior, in connection with any action alleging a violation of the Endangered Species Act, by any person ("person" means an individual, corporation, partnership, trust, association, or any other private entity) claiming the benefit of any exemption or permit under the Act, who shall have the burden of proving that the exemption or permit is applicable, or has been granted, and was valid and in force at the time of alleged violation.<sup>9</sup>

**xNY.io - Bank.org has made 91 highlights to the Department of Interior's Endangered Species Act for JPMorgan Chase's board of directors reference.<sup>10</sup>**

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<sup>8</sup>

<https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/insights/portfolio-insights/fixed%20income-sovereigns-and-esg-full-whitepaper.pdf>

<sup>9</sup> <https://www.law.cornell.edu/uscode/text/16/1540>

<sup>10</sup> [https://drive.google.com/file/d/1ahV6Oh0\\_Ji7c3ImmSJT8tHsvXtFA3SKU/view?usp=sharing](https://drive.google.com/file/d/1ahV6Oh0_Ji7c3ImmSJT8tHsvXtFA3SKU/view?usp=sharing)

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1. xNY.io - Bank.org has reason to believe in the JPMorgan Chase board of directors' engagement of ESG marketplace manipulation, risking your ESG portfolio's future at the cost of New York digital asset innovation.<sup>11</sup>
2. xNY.io - Bank.org references your *2021 Environmental Social and Governance Report*, totaling \$117B of ESG "development funding" transferred from New York to Caribbean and Eastern European accounts.<sup>12</sup>
3. xNY.io - Bank.org is concerned of JPMorgan Chase board directors leveraged marketplace manipulation techniques in allocating ESG funds to engage in potential harassment (the term "harassment" means any act of pursuit,



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<sup>11</sup>

<https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-esg-report-2021.pdf>

<sup>12</sup> <https://www.jpmorganchase.com/news-stories/jpmc-releases-2021-esg-report>

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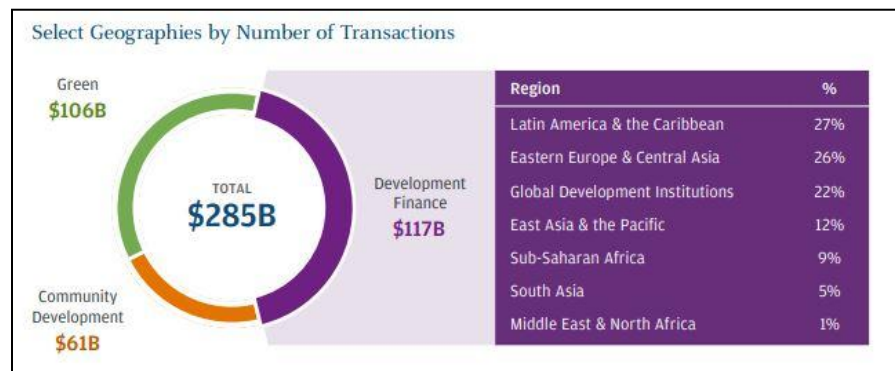
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torment, or annoyance)<sup>13</sup> of some of the world’s most precious endangered species protected by domestic and international governance.<sup>14</sup>

4. JPMorgan Chase’s \$2.3B ESG “wind farm” facility<sup>15</sup> is characterized by the Washington Post<sup>16</sup> as a potential misuse of ESG assets (and board policies) to fund probable violation(s) of the Marine Mammal Protection Act of 1972.<sup>17</sup>

Looking internationally, xNY.io - Bank.org is concerned of further ESG marketplace manipulation structures, sacrificing endangered species, via JPMorgan Chase’s board directed ESG investments in the Caribbean (your largest ESG investment region). xNY.io -



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<sup>13</sup> <https://www.fisheries.noaa.gov/node/5311>

<sup>14</sup> <https://www.fisheries.noaa.gov/species/north-atlantic-right-whale>

<sup>15</sup>

<https://www.bloomberg.com/news/articles/2021-09-15/first-major-u-s-offshore-wind-farm-project-arranges-financing>

<sup>16</sup> <https://www.washingtonpost.com/climate-environment/2022/04/21/right-whales-biden/>

<sup>17</sup> <https://www.fisheries.noaa.gov/topic/laws-policies#marine-mammal-protection-act>

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Bank.org signals that JPMorgan’s board of directors is party to the Convention on Nature Protection and Wild Life Preservation in the Western Hemisphere.<sup>18</sup>

Being clear, any violation of the Endangered Species Act, the Marine Mammal Protection Act and/or the Convention on Nature Protection and Wild Life Preservation in the Western Hemisphere ... Requires xNY.io - Bank.org to consult JPMorgan Chase board members on ESG allocations that may be in conflict with construction, or other development projects, or other forms of economic activity.

xNY.io - Bank.org asks JPMorgan Chase board directors to return the Secretary of Department of the Interior’s approval, confirming licensing and/or exclusion to the Endangered Species Act, with further authorization of “harassment” pursuant to exemption(s). Including (if available) a similar Environmental Protection Agency permit that is applicable and is valid and in force.<sup>19</sup>

- Due to the riskiness of ESG portfolio mismanagement in violation of the Endangered Species Act, ESG marketplace manipulation risk(s) may trigger causal shocks to New York State monetary and regulatory innovation.<sup>20</sup>

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<sup>18</sup>

<https://www.ecolex.org/details/treaty/convention-on-nature-protection-and-wild-life-preservation-in-the-western-hemisphere-tre-000085/>

<sup>19</sup> <https://www.epa.gov/npdes/construction-general-permit-threatened-and-endangered-species>

<sup>20</sup> [https://www.newyorkfed.org/medialibrary/media/research/staff\\_reports/sr722.pdf](https://www.newyorkfed.org/medialibrary/media/research/staff_reports/sr722.pdf)

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- According to JPMorgan’s sovereign fund ESG research, “A common complaint about ESG analysis is that data can be difficult to source. Some sovereign data is in fact more readily available than corporate data given the multitude of multinational organizations and NGOs – including the World Bank, the IMF and the United Nations.”<sup>21</sup>
- The European Central Bank provides support to the eurozone sovereign debt market but has more restrictions on what and how much it can buy, so eurozone bonds can trade with more credit risk premium compared to other major developed market bonds.<sup>22</sup>
- Whatever the case may be, JPMorgan disclosures detail significant concern of lapse in board governance and ESG portfolio risk with potential violation of the Endangered Species Act, risking ESG portfolio default(s) in Europe and the United States risking ESG customer financial abuse.<sup>23</sup>

Forbes recently profiles JPMorgan Chase ESG investments as problematic, highlighting that your board of directors potentially are allocating ESG proceeds in competition with

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<sup>21</sup>

<https://am.jpmorgan.com/dk/en/asset-management/adv/investment-themes/sustainable-investing/sovereigns-esg/>

<sup>22</sup>

<https://documents1.worldbank.org/curated/en/694901623100755591/pdf/A-New-Dawn-Rethinking-Sovereign-ESG.pdf>

<sup>23</sup> <https://www.sec.gov/divisions/corpfin/cf-noaction/14a-8/2021/ncpprjpmorgan011121-14a8-incoming.pdf>

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human rights at the expense of customers' best interests<sup>24</sup> while investing heavily in fossil fuels. A letter to JPMorgan Chase's board of directors from ESG scholars (including, The Sierra Club, Public Citizen, Greenpeace, Amazon Watch, Revolving Door Project, Rainforest Action Network and the Center for International Environmental Law) suggests the bank would "...lock us into energy sources that are overly expensive and subject to wild price swings, and that exacerbate rather than ease global conflict."<sup>25</sup>

xNY.io - Bank.org aims to protect ESG digital asset innovation and JPMorgan's board should understand your proprietary ESG scoring matrix should signal seismic marketplace manipulation risk if directors are in potential violation of any Endangered Species Act covenant.<sup>26</sup>

- Head of Europe, Middle East, and Africa (EMEA) distribution at JP Morgan Asset Management says, "In Europe, we do not have a semi-transparent product – like the US and Australia – which would add further complexity to the trading. For example, the US has several models which make it harder for the AP to guess

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<sup>24</sup>

<https://www.forbes.com/sites/mayrarodriguezvalladares/2022/03/06/banks-investing-in-russia-cannot-cloak-themselves-in-the-esg-mantle/?sh=2b2d557737e8>

<sup>25</sup>

<https://www.politico.com/newsletters/morning-money/2022/04/04/the-world-according-to-jamie-dimon-00022636>

<sup>26</sup>

<https://www.investmentweek.co.uk/news/4048814/shareholders-reject-proposed-esg-changes-jpm-bond-fund>

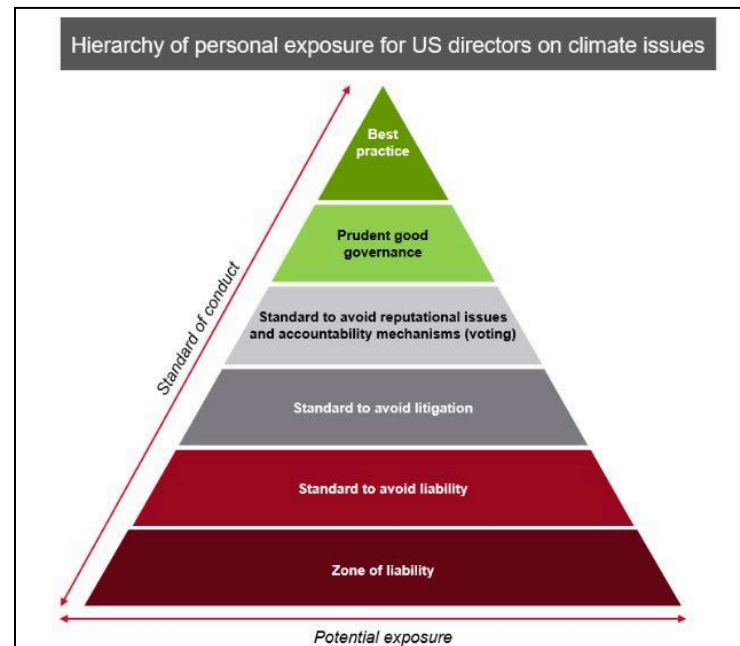
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what the actual fund looks like and therefore the costs might be higher accordingly.”<sup>27</sup>

- Given, JPMorgan may potentially be in breach of United States Endangered Species Act provisions, similar risk of ESG asset failure(s) may include Europe, Middle East, Africa and Australia international law, as ratified by the Convention on International Trade in Endangered Species of Wild Fauna and Flora.<sup>28</sup>

While directors and officers are likely to be particularly focused on the risk that they may be found personally liable for a breach of their duties, proper ESG compliance with fiduciary obligations requires acting to a higher standard. Given the defenses available to fiduciaries, and the difficulty in bringing claims for breach of fiduciary duty, a director or officer found to be liable for such ESG breaches will generally have acted egregiously. This ‘sliding scale’ of the standards to which directors and officers should adhere.<sup>29</sup>



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<sup>27</sup> <https://www.ETFStream.com/news/active-etfs-debunking-the-myths/>

<sup>28</sup> <https://cites.org/eng/disc/what.php>

<sup>29</sup> <https://corpgov.law.harvard.edu/wp-content/uploads/2021/11/esg.png>



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Following the Endangered Species Act, xNY.io - Bank.org kindly petitions JPMorgan's board of directors, in connection with all ESG investments, claiming the benefit of any exemption or permit under the United States Department of the Interior's Endangered Species Act ... Shall have the burden of proving that an exemption or permit is applicable, or has been granted, and is valid and in force.

- At JPMorgan's earliest convenience (within 60 days of receipt of this memo) xNY.io - Bank.org kindly requests a certified copy of JPMorgan Chase's approval by the Department of the Interior, being a license and/or exclusion to the Endangered Species Act and/or the Marine Mammal Protection Act.<sup>30</sup>
- JPMorgan Chase suggests a commitment to anti-corruption compliance is central to the success of its business. Your board of directors stand to maintain that trust by promoting a corporate culture that encourages ethical business practices and compliance with both the letter and the spirit of the laws of the countries in which the JPMorgan conducts business.<sup>31</sup>

xNY.io - Bank.org's research guidance from the United States Securities and Exchange Commission, supports the international community in taking actions to address ESG

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<sup>30</sup> <https://www.mmc.gov/about-the-commission/our-mission/#duties-under-the-mmpa>

<sup>31</sup>

<https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/documents/jpmc-commitment-to-anti-corruption-compliance.pdf>

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issues on a global basis, and those actions that can have a material impact on companies.<sup>32</sup>

Future correspondence concerning ESG innovation is at your board's leisure.

Respectfully yours with appreciation,



**Gunnar Larson** | [xNY.io](#) - [Bank.org](#), PBC

[MSc](#) - Digital Currency

[MBA](#) - Entrepreneurship and Innovation (ip)

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<sup>32</sup> <https://www.sec.gov/rules/interp/2010/33-9106.pdf>

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