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November 12th, 2014

In The Matter of the Application of U.S. Bank National Association, et. al. Index #
652382/2014, Article 77 Proceeding

Motion to Amend Opposition to the Proposed Settlement

I respectfully request that the attached article be added to my Motion in Opposition to the Proposed Settlement between JP Morgan and the United States of America. The article discusses the two tiered system of justice that infects our country wherein countless criminal cases prosecuted in every judicial district in this nation, individual citizens are subject to disparate treatment from both the justice department and its courts as a little guy (like me) gets squashed by the justice department juggernaut while megabanks like JP Morgan are allowed to utilize their ability to construct nefarious back room deals to escape civil and criminal liability.

Respectfully submitted,



Anthony L. Viola

TRULINCS 32238160 - VIOLA, ANTHONY L - Unit: MCK-E-A

FROM: Yant, Martin
TO: 32238160
SUBJECT: In case you missed it
DATE: 11/10/2014 11:36:07 AM

Ex-JPMorgan lawyer tells tale of wrongdoing

USA Today/11/8/14

Former JPMorgan Chase lawyer Alayne Fleischmann was sipping breakfast tea at her Canada home in May when she learned U.S. Attorney General Eric Holder had filmed an Internet video stating the Department of Justice's view that no bank is "too big to jail.."

Fleischmann, a secret witness who said she gave federal prosecutors evidence of mortgage-securities wrongdoing she saw at the bank in 2006-07, clicked on the video link. "Wonderful," she thought. At last, Holder would announce plans for criminal charges.

But Holder didn't mention JPMorgan the banking giant that six months earlier had reached a record \$13 billion civil settlement with prosecutors for marketing toxic mortgage investments like those that contributed to the national financial crisis. Although he foreshadowed then-upcoming cases against two other global banks, Holder said prosecutors should coordinate with regulators to avoid damaging the economy when major financial institutions are hit with criminal charges.

At that point, Fleischmann says she determined to switch roles from anonymous informant to very public whistle-blower regardless of the JPMorgan confidentiality agreement she'd signed when she was among bank workers laid off in 2008.

"It was this nonsensical statement," said Fleischmann on Friday, recounting the turning point one day after outing herself in a Rolling Stone story posted online.

"What he was doing, to me as a lawyer, is not how you're supposed to deal with securities fraud," Fleischmann added in the telephone interview. "At that point, I stopped believing the government was going to go forward with cases against individuals, no matter how strong the case was."

The Department of Justice declined to discuss Fleischmann specifically. In a statement, the agency said that in its settlement negotiations "we have refused to provide waivers that would shield the banks from criminal liability. As a result, we have preserved our ability to conduct criminal investigations where they might be warranted."

JPMorgan did not immediately respond to messages Friday seeking comment.

Judging by the settlement's mammoth size, the case against JPMorgan had been strong.

But neither the bank nor any of its executives faced criminal charges. That dismayed Fleischmann, a securities lawyer nearing the end of her 30s. She said she gave prosecutors detailed evidence against several JPMorgan executives, including two former bosses who'd pushed approvals of mortgage loans that were expected to be packaged into multimillion-dollar securities and sold to investors.

Fleischmann said she protested the mortgages had high risk and low quality, with many based on what seemed to be overstated incomes. They didn't meet the bank's normal standards and were likely to default, detonating in the hands of investors from risks that weren't properly disclosed, she said.

When the executives didn't heed her arguments, Fleischmann said she memorialized her concerns in a letter to another JPMorgan executive.

"There was no way I was going to get anything good out of that," she said. "You don't expect to keep your job when you write something like that."

Years after she left the bank, federal prosecutors interviewed Fleischmann for what she said was a civil case focused on JPMorgan. They appeared to credit her account of what had happened, she said, seeming "almost giddy with the case they had."

Fleischmann said she had been scheduled to meet with other prosecutors separately weighing potential criminal charges against the bank last December, the month after record settlement was announced. The meeting never took place, she said.

Instead, one of the few references to her role in the government's JPMorgan investigation came in an 11-page "Statement of Facts" that accompanied the November 2013 civil settlement. Without using her name, the statement cited the letter she'd written to a bank official, and said it had been distributed to other executives.

"None of this was disclosed to investors," the statement said.

Going public with her account has left Fleischmann feeling "a little bit lighter" she said Friday, between televised interviews in New York City for Democracy Now!, MSNBC and other media outlets.

"It's almost like I'm a part of the coverup if I don't say something," she said. "Securities fraud is just stealing. And I would never be a part of that."

Her decision to speak out sparked almost immediate reaction. Several attorneys handling private civil lawsuits against JPMorgan have gotten in touch hoping to arrange consultation sessions, said Fleischmann. Aiming to broaden the impact, she planned to launch a Twitter feed.

Her message, she said, is relatively simple: Concerned citizens should contact their elected representatives and voice their concern about financial wrongdoing and efforts to address that conduct by prosecutors and regulatory agencies. "I'm hoping if there's enough public pressure, the details of what happened will come out," said Fleischmann.

She concedes the newly launched campaign raises the risk that JPMorgan could pursue action against her for violating her confidentiality agreement with the bank. However, citing what she characterized as the criminal actions she's alleged, Fleischmann said she had a greater responsibility to seek justice.

Her involvement in the investigation brought personal costs even before she went public. Several law firms that considered hiring her shied away when she privately disclosed she could be a witness against JPMorgan, said Fleischmann.

She spent 2012-13 as a student at a law firm in Calgary, a required step in what she described as her current plans to practice law in Canada. Fleischmann doesn't have a job now. So she's been home in Vancouver, British Columbia, where she said her family has rallied in pride of her decision.

"My mother doesn't even know who Jamie Dimon is," said Fleischmann, who acknowledges she herself never met the JPMorgan CEO while working at the bank. "She just knows I'm doing something big."

Regardless of her allegations, the bank ultimately could avoid criminal charges, Fleischmann acknowledged.

"For me, it's not necessarily about winning. It's about trying and not being part of something I don't agree with," she said.

"Don't worry about me," said Fleischmann. "I'll be OK. There are more important issues here."