JPMORGAN IN GLUT OF LAWSUITS FOLLOWING $2 BILLION TRADING LOSS

The list of people suing JPMorgan Chase is growing. Employees are taking the bank to court, saying that the $2 billion trading loss, has dramatically impacted their saving plans. A former employee of JPMorgan Chase & Co has sued the company, representing participants in the bank's retirement plan who lost money on company stock the plan held after the bank reported a $2 billion trading loss. The lawsuit was brought by Gregory Scrydloff, who worked at the Chase Investment Services unit or a predecessor for 17 years ending in January. Gregory Scrydloff, in his complaint, filed in Manhattan Federal Court, has accused the New York-based JPMorgan of making incorrect misleading statements, making tall claims about its financial health that saw the company's stock trade at overblown prices. The suit claims that between April 13 and May 10, the company's stocks did business on this overstated assumptions. April 13 was the date, when the company reported its earnings and May 10 when Chief Officer Dimon, revealed the trading loss. JPMorgan shares fell 18 percent when the loss was announced. The suit, accuses the defendants, JPMorgan Chase of infringing their obligations to 401(k) and other retirement plan participants by including company stock as an investment option, hiding the stock's risk, and failing to move participants to safer choices. As per the suit, the bank violated the federal Employee Retirement Income Security Act. The Act empowers participants of the plan with the right to sue for contravention of fiduciary duty. The plaintiffs say that their plan suffered hundreds of millions of dollars in losses, which would not have happened, "If defendants had discharged their fiduciary duties to prudently manage and invest the plans' assets, the losses suffered by the plans would have been minimized or avoided," the suit says. The complaint says, "Defendants misrepresented the losses and risk of loss to the company arising from massive bets on derivative contracts related to credit indexes reflecting interest rates on corporate bonds. These derivative bets went horribly wrong, resulting in billions of dollars in lost capital for the company and billions more in lost market capitalization for JPMorgan shareholders." Last week, an Arizona trust had filed a securities-fraud lawsuit, on behalf of investors, claiming that they lost money on the stock, as they had invested in it, believing in the tall claims the company made about its financial strength. In another case, also filed last week, an individual investor, sought damages, from Dimon, the bank's board and other executives. Dimon said that the $2 billion loss was on synthetic credit products, which are derivatives tied to credit performance. Dimon, a known opponent of the Volcker rule intended to limit banks' trading activity, called JPMorgan's handling of the trades "stupid," and said "egregious mistakes" were made. The bank and its directors face many lawsuits and the number is expected to grow even more. Joseph Evangelisti, a JPMorgan spokesman, declined to comment on the most recent lawsuit. The employee case is Scrydloff v. JPMorgan Chase & Co., 12- 4027, U.S. District Court, Southern District of New York (Manhattan). The earlier cases are Baker v. Dimon, 12-cv-03878, and Saratoga Advantage Trust -- Financial Services Portfolio, 12-cv-03879, U.S. District Court, Southern District of New York (Manhattan).