



# JPMorgan Says Revived Whistleblower Suit Still Falls Flat

By **Max Stendahl**

Law360, New York (February 11, 2015, 3:45 PM ET) -- An attorney for [JPMorgan Chase & Co.](#) urged a New York federal judge Wednesday to dismiss claims it fired an employee in retaliation for blowing the whistle on a client's alleged fraud and money laundering, after the Second Circuit revived the case in October.

Michael Schissel, an attorney for JPMorgan, told Judge Robert Sweet during a hearing that former private wealth manager Jennifer Sharkey had failed to adequately allege she was fired for engaging in whistleblowing activity protected by the Sarbanes-Oxley Act.

Judge Sweet had tossed the suit in December 2013, but the Second Circuit reinstated the claims in October 2014 after loosening the legal standard in such cases. Under the new standard, an employee must show that he or she blew the whistle on conduct that they "reasonably believed" violated a specific federal law mentioned in SOX.

Schissel argued Wednesday that Sharkey had reported possible violations of money laundering laws and the USA Patriot Act, neither of which are covered by SOX. Sharkey's allegations of mail and wire fraud, which are covered, weren't specific enough to pass muster, Schissel said.

"You have to blow the whistle by articulating facts," he said. "Here, they rely purely on conclusory statements."

Schissel added that the JPMorgan client about whom Sharkey complained remained "in good standing" with the bank.

"There was never a lack of propriety found in respect to this client, despite the smoke and mirrors she is throwing up," Schissel said.

But Lawrence Pearson, an attorney for Sharkey, said the former JPMorgan employee had satisfied the new legal standard by alleging the client engaged in unauthorized trading in a third party's escrow account.

"The idea that her belief wasn't reasonable, that it wasn't sincere, simply doesn't hold up," Pearson told Judge Sweet.

Pearson added that Sharkey was fired directly as a result of her whistleblowing activity. Prior to her

termination, Sharkey was generally well-liked by colleagues and had no job-performance issues.

Judge Sweet heard arguments in the case without issuing a decision.

According to an amended complaint filed in February 2011, Sharkey served as a vice president in JPMorgan's wealth management group between October 2006 and August 2009, working with more than 75 high net worth clients.

The complaint said Sharkey raised concerns to her supervisors about an unnamed client who had previously been accused of fraud by [Merrill Lynch](#). Less than a week after recommending that JPMorgan cut ties with the client, Sharkey was fired, she said.

Sharkey is represented by Douglas Wigdor, Lawrence Pearson and Michael Willemin of [Wigdor LLP](#).

JPMorgan is represented by Michael Schissel of [Arnold & Porter LLP](#).

The case is Sharkey v. JPMorgan Chase & Co. et al., case number [1:10-cv-03824](#), in the U.S. District Court for the Southern District of New York.

--Additional reporting by Ben James. Editing by Emily Kokoll.