

JPMorgan Chase & Co

Glitz and Gladwell: the infighting over prized JPMorgan wealth clients

Author of 'The Tipping Point' calls on Jamie Dimon to intervene in tug of war for rich customers

Joshua Franklin in New York OCTOBER 24 2022

Infighting at JPMorgan Chase over how to manage the fortune of retired baseball star Alex Rodriguez has escalated into a two-year battle within the bank, involving prominent personalities such as pop sensation Jennifer Lopez and author Malcolm Gladwell, as well as chief executive Jamie Dimon.

The [tug of war](#) has laid bare tensions inside JPMorgan, pitting the lender's storied private bank against a wealth advisory business that was acquired as part of the 2008 purchase of Bear Stearns during the financial crisis.

At the centre of the squabble is a prominent financial adviser named Gwen Campbell. She brought along clients including Rodriguez when she joined [JPMorgan](#) from Bank of America's Merrill Lynch division in 2020 and set up shop at JPMorgan Advisors, as the old Bear operation is now known.

Campbell has [accused](#) colleagues at JPMorgan's private bank of trying to lure away Rodriguez. In one instance, the private bank tried to leverage an existing relationship with Lopez as part of their strategy, according to people familiar with the matter.

Gladwell, a New York Times bestselling author of books including *The Tipping Point* and a longtime Campbell client, has rushed to her defence, firing off a letter to [Dimon](#) on her behalf, according to messages seen by the Financial Times. Dimon has not responded directly, instead tasking other executives to reply to clients' concerns.

"I thought he was supposed to be a statesman, Jamie Dimon. This is like a game an 11-year-old would play," Gladwell told the FT.

"Quite apart from what he's doing to Gwen, I'm a client. My life savings are with JPMorgan. My financial adviser has been exiled like Napoleon on Elba. Is that the way you treat your clients? I'm small-fry but a lot of her clients are not small-fry," he added.

Since December, Campbell has been seeking financial damages through arbitration for what she alleges is a breach of contract. A hearing is scheduled for July next year.

In the meantime, Campbell is still working at JPMorgan in San Francisco. Her team of advisers has lost three members and she has complained in legal filings of having been periodically locked out of the bank's computer systems.

“What JPMorgan is doing is not only hurting Gwen but having a direct adverse impact on her clients which are JPMorgan's clients. This is something that's known by Jamie Dimon, and the board,” Campbell's lawyer, Wigdor LLP partner Michael Willemin, said.

A JPMorgan spokeswoman said the bank had been “putting significant focus and investments” into JPMorgan Advisors and “set in place rules for situations where clients are served by more than one line of business”.

“These rules allow us to bring clients the expertise they need while ensuring that they and our financial professionals are treated fairly,” the spokeswoman said.

The infighting stems from JPMorgan having separate but overlapping businesses — both JPMorgan Advisors, where Campbell works, and the private bank cater to wealthy clients but are under different leadership.

Inside JPMorgan, financial advisers and private bankers regularly lament the internal competition for clients, according to current and former employees.

In another instance involving a different adviser earlier this year, the private bank and JPMorgan Advisors battled over which division should manage money for a client who had inherited several hundred million dollars from a relative, according to a person familiar with the matter.

Dimon ended up intervening, telling both sides that the bank did not have the market share for turf wars, the person said. It was left up to the client to decide which division they would park their money with.

The dispute between Campbell and the private bank spilled into the open in December when she brought the first of several actions against JPMorgan, asking a court for a restraining order against the bank. That request was rejected.

Campbell has also filed for arbitration proceedings seeking financial damages and in April submitted a complaint with the US Equal Employment Opportunity Commission, alleging she has suffered gender discrimination.

COMMISSION, ALLEGING SHE HAD SUFFERED GENDER DISCRIMINATION.

Some of Campbell's clients have like Gladwell written to Dimon and urged him to intervene on her behalf, according to emails seen by the FT.

Gladwell emailed Dimon in June, asking him to "find a way to bring this dispute quietly and gracefully to an end". Gladwell received a response from Kristin Lemkau, chief executive of JPMorgan Wealth Management, who was involved in Campbell's hiring.

Lemkau told Gladwell that she could not comment on Campbell's allegations due to pending arbitration but that JPMorgan was "committed to exploring and addressing any issues she raised".

Gladwell, who has known Campbell for more than 20 years, said he was shocked by the way JPMorgan was treating her.

"It just strikes me that they're torturing her," Gladwell told the FT. "I don't understand why someone would willingly make someone's life miserable for no reason."

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Malcolm Gladwell

Jackie Reses, a former executive at payments company Square who is now chief executive of Lead Bank, is another unhappy Campbell client, telling the FT that JPMorgan "isn't doing right in this situation".

"JPMorgan should look at this as a client issue, not as a litigation issue," said Reses, whose net worth was pegged at over \$1bn by Forbes last year.

Campbell came to JPMorgan Advisors in 2020 with almost \$1.4bn in client assets and loans, according to a legal filing in December. This included millions of dollars belonging to Rodriguez, who earned an estimated \$400mn during his 22-year career in baseball. Following his retirement from the New York Yankees in 2016, the slugger known as A-Rod has become a broadcaster, investor and entrepreneur.

Before Campbell joined JPMorgan, its investment bankers had already advised

Rodriguez and Lopez on a failed attempt to buy the New York Mets baseball team in 2020. Rodriguez also kept a “low seven-figure amount” at the private bank, Campbell claimed in legal filings. As a result, when she joined, Rodriguez was designated as a shared client between JPMorgan Advisors and the private bank.

Campbell has argued her relationship with Rodriguez should have been protected by an agreement with JPMorgan that the approach to dealing with shared clients would be to “maintain the current nature of their relationship with the private bank”. But she has accused the private bank of pitching several of her clients for business, with Rodriguez the chief target.

The private bank ended up winning more of Rodriguez’s business by providing a loan for his acquisition of a minority stake in the Minnesota Timberwolves basketball team in 2021, Campbell alleged in court filings. This was after Campbell was told that JPMorgan Advisors would not finance the loan.

Before that loan, the private bank had also switched coverage of Lopez from its west coast team to the New York bankers who had been tasked with cultivating a relationship with Rodriguez, according to people familiar with the decision. At the time, Rodriguez and Lopez were engaged and the reassignment was made with the hope this would facilitate future business with Rodriguez, the people said.

JPMorgan declined to comment. Representatives for Lopez and Rodriguez did not respond to requests for comment.

In a letter sent to JPMorgan’s board of directors in April, seen by the FT, Campbell said that continued litigation was not her preference and that she wanted to “have the terms of my employment contract honoured”.

“If that is not possible,” Campbell wrote, “the third option is to part ways and resolve this matter in a way that reflects the value of the billion-dollar book of business that I brought to JPMorgan”.

Additional reporting by Sara Germano

