

Investors Against Genocide

Draw the line at investing in genocide

Presentation at JPMorgan Chase May 17, 2011 shareholder meeting

My name is William Rosenfeld, a founder of Investors Against Genocide. I'm here to present the shareholder proposal which asks JPMorgan to avoid investments substantially contributing to genocide.

Many would suppose that 66 years after the end of the Holocaust and 17 years after the genocide in Rwanda, companies that value the public trust would avoid connections to genocide.

Sadly, eight years since the beginning of the genocide in Darfur JPMorgan still had, as of January, more than a billion dollars invested in PetroChina, a company whose parent provides Sudan's government with revenue that has been helping fund the genocide there.

As a result, ordinary individuals investing with JPMorgan may inadvertently invest in companies funding genocide.

There is no compelling reason for these investments. No fiduciary responsibility requires them. Avoiding the small number of problem companies need not affect financial returns. Holding problem companies accountable may improve their behavior.

Chairman Dimon says "We have always been deeply committed to being good corporate citizens." So, why does JPMorgan oppose this proposal?

The company's proxy says "the Firm's existing policies and procedures appropriately address these issues." Do they? What is "appropriate" about being one of the largest investors in a company connected to genocide? Ethical investing may mean different things to different people, but surely avoiding investments tied to genocide is a minimum standard we can all approve.

JPMorgan says that the "relationship of a company to human rights issues may be complex and fact-specific" and implies that only the government is capable of making these judgments. If 30 states, 61 colleges, TIAA-CREF, and American Funds can avoid investing in PetroChina, why can't JPMorgan?

Finally, the company says that it holds "securities in many different capacities" implying that others are responsible for the decision to invest in problem companies. This claim glosses over the role that JPMorgan plays in guiding investment choices. Our policy would allow the firm to assist clients that choose to invest in genocide but would protect the rest from doing so only because of JPMorgan decisions.

Directors, it is not too late to do the right thing. If the measure fails today, stockholders will return year after year to raise this issue and JPMorgan will continue to receive negative press. So I ask you to live up to your ideals. I ask you to identify with the values of your customers who do not want their savings tied to genocide, in Darfur today or anywhere else in the future. This request may be unusual, but it is not difficult and it is well within your abilities. Moreover, in the face of genocide, it is the right choice, right for your customers and right for your business.