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11
12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
13 **IN AND FOR THE COUNTY OF SAN MATEO**
14

15 **DIANE ARTEMIS YAFFE**, individually

16 **Plaintiff,**

17 v.

18 **JPMORGAN CHASE BANK, N.A.**,
19 a Delaware Corporation;
20 **STEPHANIE CASILIAS**, an individual;
and **DOES 1 through 25**, inclusive,

21 **Defendants.**
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Electronically
FILED
by Superior Court of California, County of San Mateo
ON 1/29/2024
By /s/ Hessen Ladcani
Deputy Clerk

CASE NO. 24-CIV-00420

COMPLAINT FOR DAMAGES

1. **FINANCIAL ELDER ABUSE**
[Welf. & Inst. Code § 15600, *et seq.*]
2. **UNFAIR BUSINESS PRACTICES**
[Bus. & Prof Code § 17200]
3. **NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS**

DEMAND FOR JURY TRIAL

25
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27
28
COMPLAINT

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FIRST CAUSE OF ACTION

Violation of the Elder Abuse and Dependent Adult Civil Protection Act

Cal. Welf. & Inst. Code § 15600, et seq.17

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1 **I. INTRODUCTION**

2 1. This case arises from the calculated and devastating abuse of a vulnerable elder,
3 committed with the aid and complicity of one of America’s most powerful financial institutions.

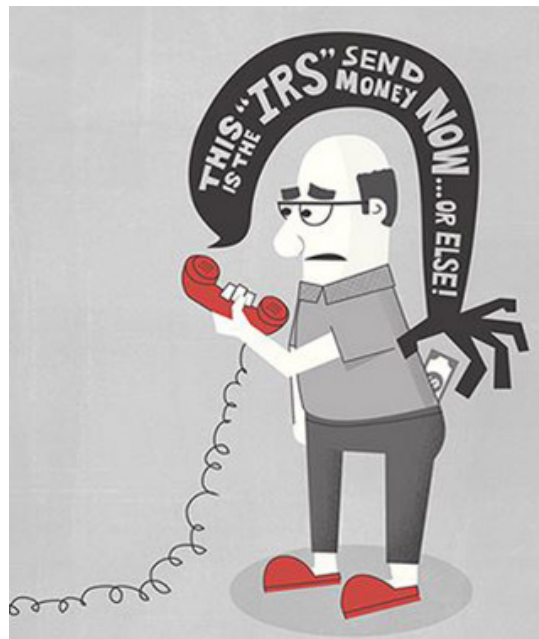
4 2. On August 28, 2022, Plaintiff Diane Artemis Yaffe (“**Yaffe**”), a 76-year-old
5 widow, received a phone call from an individual who claimed to be an Internal Revenue Service
6 (IRS) collections officer but was in fact a sophisticated scammer.

7 3. In a matter of weeks, Yaffe was robbed of almost her entire savings when
8 Defendants JPMorgan Chase Bank, N.A. (“**Chase**”) and its representatives and agents
9 (collectively, “**Chase Defendants**”) *wired \$1,846,450.00 overseas in an extremely suspicious*
10 *and fraudulent series of transactions.*

11 4. Defendants at four different Chase branches violated state laws, including the
12 Elder Abuse and Dependent Adult Civil Protection Act, by repeatedly failing to identify Yaffe’s
13 wildly unusual banking activity as fraudulent.

14 a. **Elder financial abuse is as common as it is pernicious.**

15 5. Yaffe fell victim to a common “IRS impersonation blackmail scam” where
16 blackmailers target vulnerable individuals by masquerading IRS collection officers, placing
17 disturbing and official-sounding calls to instill fear and compliance in their victims.¹



28 ¹ “Tax Scams / Consumer Alerts | Internal Revenue Service”, <https://www.irs.gov/newsroom/tax-scams-consumer-alerts>

1 6. Often called the “crime of the 21st Century,” elder financial abuse is an epidemic
2 with estimates of the annual economic losses as high as 37 billion dollars per year.² Scams
3 targeting their savings have proliferated over the last decade.³

4 7. Older adults are targets for financial exploitation due to their income and
5 accumulated life-long savings. Additionally, older adults are targeted due to their declining
6 health, lack of technological literacy, and higher likelihood to face isolation from family and
7 friends during their golden years.

8 8. Financial elder abuse often has severe impacts upon the victim’s mental and
9 physical health. One of the documented impacts of elder abuse is earlier morbidity, with victims
10 being three times more likely to die early than similarly situated non-victims.⁴

11 9. Because blackmailers rely on isolating their victims, institutions like Chase often
12 serve as the only gatekeepers protecting vulnerable elders from financial exploitation. Although
13 IRS impersonation scams are often committed by unknown criminals, their crimes rely on and
14 benefit from the assistance of a bank—in this case, assistance and aid provided by agents and
15 representatives of Chase, alongside the bank’s inadequate policies, procedures and controls.

16 **II. JURISDICTION AND VENUE**

17 10. The Superior Court of the State of California has jurisdiction in this matter
18 because Yaffe is a citizen and resident of the State of California, Defendant Stephanie Casillas is
19 a citizen and resident of the State of California, and Defendant JPMorgan Chase Bank, N.A.

21 ² AARP & Princeton Survey Research Associates, AARP Research, Consumer Behavior,
22 Experiences and Attitudes: A Comparison by Age Groups (March 1999), available at [Consumer
Behavior, Experiences and Attitudes: A Comparison by Age Groups \(aarp.org\)](https://www.aarp.org/consumer-behavior/experiences-and-attitudes-a-comparison-by-age-groups)

23 ³ U.S. Treasury Financial Crimes Enforcement Network, Advisory on Elder Abuse, FinCEN
24 Advisory, FIN-2022-A002 (June 15, 2022), available at
25 [https://www.fincen.gov/sites/default/files/advisory/2022-06-
15/FinCEN%20Advisory%20Elder%20Financial%20Exploitation%20FINAL%20508.pdf](https://www.fincen.gov/sites/default/files/advisory/2022-06-15/FinCEN%20Advisory%20Elder%20Financial%20Exploitation%20FINAL%20508.pdf)

26 ⁴ Burnett, J., Jackson, S.L., Sinha, A.K., Aschenbrenner, A.R., Murphy, K.P., Xia, R., &
27 Diamond, P.M., Five-year all-cause mortality rates across five categories of substantiated elder
28 abuse occurring in the community, *J Elder Abuse Negl*, 28(2), 59-75 (2016), abstract available at
<https://doi.org/10.1080/08946566.2016.1142920>; see also Judicial Council of California; Center
of Excellence on Elder Abuse and Neglect at the University of California, Irvine; & Program in
Geriatrics, UC Irvine School of Medicine, Elder Abuse PocketReference A Medical/Legal
Resource For California Judicial Officers (2012), available at
<https://www.courts.ca.gov/documents/ElderAbusePDoc.pdf>.

1 (“Chase”) conducts significant business in California, which includes operation of the four bank
2 branches involved in this Complaint. All of Chase Defendants’ unlawful actions and omissions,
3 as set forth in this Complaint, took place in California in the County of San Mateo.

4 11. Pursuant to Code of Civil Procedure § 395, venue is proper in this judicial district
5 and the County of San Mateo because, as stated, all of Chase Defendants’ unlawful actions and
6 omissions occurred in the County of San Mateo, California.

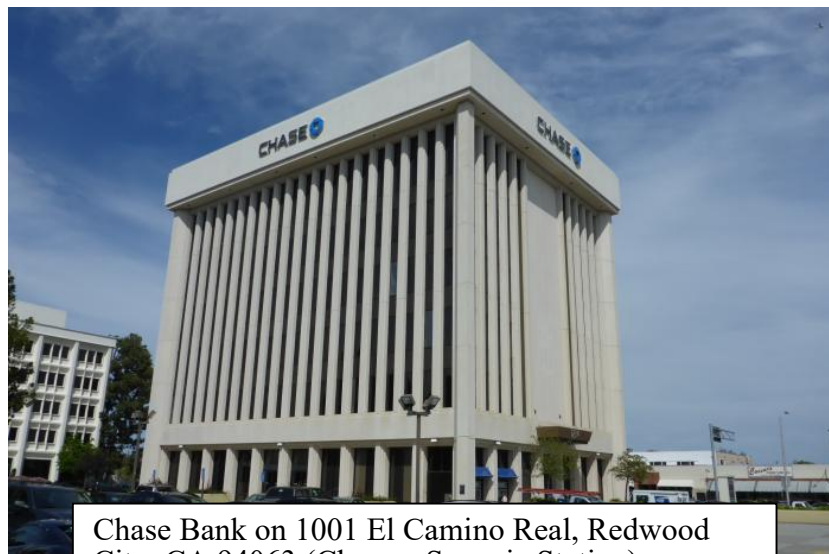
7 **III. PARTIES**

8 **A. Plaintiff Diane Artemis Yaffe**

9 12. At all relevant times, Plaintiff Diane Artemis Yaffe (“Yaffe”) was a resident of
10 Redwood City, California in San Mateo County. At all relevant times, Yaffe was 76 years old
11 and an “elder” as defined by Welfare & Institutions Code § 15610.27.

12 **B. Defendant JPMorgan Chase Bank, N.A.**

13 13. Defendant JPMorgan Chase Bank, N.A. (“Chase Bank” or “Chase”) is the
14 largest bank in the United States by asset size with more than \$3 trillion in consolidated assets. It
15 is incorporated in the State of Delaware and does significant business in California, operating
16 915 branches in 387 different cities and towns in the state of California. All four branches at the
17 center of this Complaint are located in San Mateo County, California.



Chase Bank on 1001 El Camino Real, Redwood City, CA 94063 (Chase—Sequoia Station)

1 14. Defendant Stephanie Casillas (“**Defendant Casillas**”) is an individual who, at all
2 relevant times, resided in California. At all relevant times, Defendant was employed as Manager
3 at JPMorgan Chase Bank, N.A. located at 845 Laurel Street, San Carlos, CA 94070 (“Chase—
4 San Carlos”).

5 **C. Doe Defendants 1-25**

6 15. Yaffe is ignorant of the true names and identities of those Defendants sued herein
7 as Does 1 through 25, and for that reason has sued such Doe Defendants by fictitious names.
8 Yaffe will seek leave of Court to amend this Complaint to identify said defendants upon
9 discovery of their identities.

10 16. Yaffe is informed and believes, and therefore alleges, that each Doe Defendant
11 was responsible for the events and happenings herein referred to, which proximately caused the
12 injuries and damages to Yaffe as alleged herein.

13 **IV. FACTUAL ALLEGATIONS**

14 **A. Artemis Yaffe**

15 17. Plaintiff Diane Artemis Yaffe (“Yaffe”) is 77 years old and was 76 years old
16 when she was blackmailed and scammed out of her life’s savings. For two years, Yaffe was the
17 sole caretaker for her late husband during his battle with pancreatic cancer. Yaffe has been
18 widowed since July 11, 2021 and now lives alone.



28
Yaffe and her late husband.

1 18. Yaffe is passionate about animals and raises Newfoundland show dogs. Prior to
2 the scam, she enjoyed taking her dog to the park and would almost always run errands with her
3 dog, including trips to the bank.

4 19. Like many elders, Yaffe's social circle and support system dwindled in her golden
5 years, especially after COVID-19 and the death of her husband. Yaffe experienced difficulty
6 reaching out to friends and was relatively isolated. She experienced health struggles, battling
7 shingles for three years, suffering head trauma on two occasions, and coping with declining
8 vision.

9 20. Yaffe reports that she lacks technological literacy and is "not good at computers,"
10 which is common for people of her generation.

11 **B. Yaffe's finances before the blackmail scam**

12 21. Before the blackmail scam, Yaffe lived within her means and enjoyed the
13 economic freedom that accompanied her retirement. She was comfortable and kept her finances
14 well organized.

15 22. Yaffe had established a long banking history both personally and jointly with her
16 late husband. She lived on Social Security checks which were distributed to her personal Bank of
17 America account, as well as monthly disbursements from her IRA which were deposited into a
18 joint account at Bank of America that she shared with her late husband. The accounts at Bank of
19 America were her primary accounts which she used to handle her everyday expenses.

20 23. Yaffe also held a personal checking account at Chase and had banked with Chase
21 for almost ten years prior to the financial transactions at issue. Her account at Chase often had as
22 little as \$600.00 and no more than \$5,000.00 at a time. This account was primarily used for the
23 care of her award-winning Newfoundland dogs, including grooming, handling, food, and show
24 fees. She also used this account to pay off personal credit cards.

25 24. Prior to the financial transactions at issue, Yaffe had only made one *domestic* wire
26 transfer of about \$1,200.00 from her Chase account to pay for a class that she took around five
27 years ago. She had not made any other wire transfers in almost a decade of banking with Chase,
28 and certainly no wire transfers outside the country.

1 25. There were no trusted contact numbers or co-account holders attached to either
2 the Bank of America or Chase accounts, and at no point during the events described within this
3 Complaint was she asked to assign someone.

4 **C. The blackmail scam begins**

5 26. On August 28, 2022, Yaffe received a phone call from an unknown number. A
6 male voice identified himself as an Amazon employee. The caller had knowledge of Yaffe’s
7 previous Amazon purchases and referenced these purchases to gain Yaffe’s trust. Then, he asked
8 Yaffe to identify several charges for expensive Apple computers that she hadn’t purchased.
9 When Yaffe responded that she did not recognize the charges, she was transferred to the “fraud
10 department.”

11 27. Once transferred, Yaffe was introduced to “Officer Peter James” (“the scammer”)
12 who claimed to be an IRS investigator but was in fact a sophisticated blackmailer and conman.
13 The blackmailer sent a picture of what appeared to be an official identification card. He
14 proceeded to tell Yaffe that her social security number had been stolen and she was now
15 affiliated with numerous interstate companies supposedly involved in drug, money laundering,
16 and weapons trade. The blackmailer warned that Yaffe would be investigated and, if her name
17 wasn’t “cleared”, subject to 7 to 9 years in prison and a \$75,000 fine. To prove her innocence,
18 the blackmailer told Yaffe that she would need to “safeguard her funds” and to listen for further
19 instructions.

20 28. Over the next few days, the blackmailer kept Yaffe on the phone for extended
21 periods of time, sometimes for eight-hour stretches. She was instructed to make transfers with
22 information she received by text via WhatsApp. The blackmailer would even call late at night,
23 pressing Yaffe to disclose the names and phone numbers of people she had talked to.

24 29. Yaffe was terrified. Her fear was exacerbated by the fact that the IRS had indeed
25 garnered part of her wages for a period of time in her twenties, and she knew what power they
26 had over her finances. Isolated from her family and friends, Yaffe followed the blackmailer’s
27 instructions.

28 /././

1 30. The blackmailer began testing Yaffe’s compliance by directing her to make a
2 series of transfers at Bitcoin for America⁵ kiosks, which Yaffe describes as “like slot machines,
3 where you insert cash.” Once the blackmailer had established control over Yaffe, he began
4 compelling her to make significantly larger wire transfers directly from her banking institutions.

5 **D. When Yaffe attempted to perform wire transfers at Bank of America, her**
6 **transactions were promptly and properly flagged and cancelled.**

7 31. By mid-September, the scammer was requesting that Yaffe make six-digit wire
8 transfers from both her Bank of America and Chase checking accounts.

9 32. Whenever Yaffe entered a bank to request a wire transfer, the scammer insisted
10 that Yaffe stay on the phone and put the phone in her pocket so that he could overhear the
11 conversations she had with bank employees.

12 33. The scammer read Yaffe’s emails and, knowing that Yaffe was interested in
13 prayer and meditation, coached Yaffe to say that she needed money to an “alternative healing
14 business in China” if anyone asked questions about the wire transfers.

15 34. On September 15, 2022, Yaffe requested a wire transfer from Bank of America at
16 their branch located on 400 Woodside Plaza, Redwood City, CA, 94061 (“BofA”) in the amount
17 of \$193,500.00. Four days later on September 19, 2022, Yaffe requested another wire transfer
18 from BofA in the amount of \$248,850.00.

19 35. However, at BofA, both of Yaffe’s transfer requests were denied.

20 36. Although Yaffe didn’t know it at the time, she later learned that BofA
21 management had conducted a “back-office meeting” where they decided not to sign off on either
22 of the transactions due to suspected fraud. Because they were not authorized, both the September
23 15th and September 19th wire transfers from BofA “timed out” and were not delivered to the
24 scammers.

25
26 ⁵ Bitcoin of America, accused of aiding scammers who stole millions from victims using its
27 kiosks, faces charges of conspiracy and money laundering along with its CEO and two others.
28 (“[Unregulated crypto ATMs give criminals a loophole to prey on unsuspecting victims - CBS News](https://www.cbsnews.com/news/crypto-atm-scams-unregulated-machines/)”, <https://www.cbsnews.com/news/crypto-atm-scams-unregulated-machines/>, last accessed August 15, 2023) According to their website, Bitcoin of America is no longer in business ([Bitcoin of America, https://bitcoinofamerica.org/](https://bitcoinofamerica.org/), last accessed August 15, 2023).

1 37. At some point after the initial two attempts to wire money from BofA, Yaffe
2 visited the branch a third time. Listening in on her conversation, the blackmailer became
3 suspicious that the BofA employees suspected fraud.

4 38. The blackmailer became impatient and angry, and demanded that Yaffe withdraw
5 her funds from BofA. Over the next two weeks, Yaffe withdrew her funds from BofA in the
6 form of cash and cashier checks. The blackmailer also pressured Yaffe to take out a line of credit
7 from BofA, but her request was denied by BofA when she couldn't answer its security questions.

8 39. From this point on, Chase became the exclusive conduit of the scheme to defraud
9 Yaffe of her life savings.

10 **E. Once Yaffe transferred her funds to Chase, Chase assisted the scammer in**
11 **robbing Yaffe of almost her entire life savings.**

12 40. As mentioned previously, prior to the scam, Yaffe had banked with Chase for
13 almost a decade. She was a loyal and regular customer at Chase, and a recognizable figure
14 around town. Employees at Chase—Broadway knew her personally and frequently gave treats to
15 her dog, whom she would take with her on errands.

16 41. Chase employees raised no questions when Yaffe began making numerous six-
17 figure deposits into her personal checking account, which as mentioned historically held less
18 than \$5,000.00.

19 42. On **September 13**, 2022, Yaffe transferred \$99,850.00 to an overseas bank from
20 Chase—Broadway. Chase employee Fernando Carlos asked Yaffe about the purpose of the
21 transfer, and Yaffe responded by reiterating the story that the scammer had given her about
22 starting an “alternative healing business” in China. Yaffe was given a perfunctory warning that
23 transferred funds could not be returned before Chase employee Carlos signed off on the transfer.

24 43. On **September 15**, 2022, Yaffe attempted to transfer \$93,850.00 from Chase—
25 Broadway, but the scammer became nervous and told her to go to a different Chase branch.

26 44. On **September 19**, 2022, Yaffe transferred \$248,850.00 to an overseas bank from
27 Chase—Sequoia Station. Chase employee Jessica Vela-Zelaya initiated the transfer after Yaffe
28 reiterated the scammer's story. On **September 22**, 2022 and **October 3**, 2022, Yaffe made two

1 more wire transfers from Chase—Sequoia Station in the amounts of \$298,950.00 and
2 \$299,950.00. On both of those occasions, Chase employee Vela-Zelaya recognized Yaffe and
3 asked her about her business plans. No further questions were asked.

4 45. With no signs of Chase Bank stopping the fraudulent transactions, the scammers
5 continued to demand that Yaffe send large wire transfers overseas.

6 46. On **October 5**, 2022, Yaffe transferred \$352,950.00 to an overseas bank from
7 Chase—Menlo Park. Yaffe entered the same location again on **October 13**, 2022 and transferred
8 \$259,950.00 to an overseas bank. Chase employee Gregory Meyerott initiated both transfers
9 after asking her about her business plans, but there were no follow-up questions.

10 47. On **October 17**, 2022, Yaffe again entered the Chase—Menlo Park branch and
11 requested a six-digit transfer. This time, an employee pulled Yaffe into a private room and told
12 her that she would decline the transaction, stating, “If you were my mother, I would not let you
13 do this.”

14 48. Nevertheless, *on the very same day* that Chase—Menlo Park denied the transfer,
15 Yaffe was able to take a short drive to nearby Chase—San Carlos and transfer \$286,000.00.

16 49. Concerningly, employees at Chase—San Carlos, including Chase employee Beth
17 Akell-Flores and Chase employee Stephanie Casillas, did not ask a single question about Yaffe’s
18 wire transfer request before Chase employee Casillas signed off on the transfer.

19 50. In a matter of weeks, ***Chase Bank and its agents and representatives assisted the***
20 ***scammer in stealing \$1,846,450.00*** from Ms. Yaffe over the course of seven wire transfers from
21 four different Chase branches.

22 51. None of Ms. Yaffe’s highly unusual banking activities were monitored, flagged,
23 reported as suspicious, or prevented by the Chase employees who effectuated or approved the
24 wire transfers. None of the Chase employees attempted to ensure that a trusted contact was
25 attached to Yaffe’s account, and none of the Chase employees attempted to speak to a trusted
26 contact about Yaffe’s banking activities. When an employee at Chase—Menlo Park eventually
27 put a stop to one of the wire transfers, the scammer was able to force Ms. Yaffe complete the
28 transfer at another Chase branch later the same day, indicating that Chase does not have a

1 centralized system for flagging and tracking fraudulent transactions. If Chase did indeed have
2 such a system, it was not properly implemented to protect vulnerable customers like Ms. Yaffe.

3 52. Chase Bank charged Ms. Yaffe \$350 in fees for the privilege of defrauding her.

4 **F. When the scam was over, Ms. Yaffe was left penniless, with no hope of**
5 **recovering the money that the Defendants had helped Scammers steal.**

6 53. Once the blackmailer had drained Ms. Yaffe’s accounts with the help of Chase
7 Defendants, they told her that an IRS officer would arrive at her house with a document that
8 would clear her name, along with the money that she had transferred to them. On the day before
9 they were scheduled to arrive, the scammer instructed Ms. Yaffe to press several buttons on her
10 phone. The screen “went black,” possibly triggered by a factory reset combination.

11 54. When an IRS officer did not arrive on November 12, 2022, Yaffe deduced that
12 she had been scammed. With the help of a neighbor, Yaffe filed an IC3 FBI report two days
13 later. On November 21, 2022 she sent an identity theft affidavit Form 14039 to the Department
14 of Treasury. Four days later on November 25, 2022 she filed a report with the San Mateo County
15 Sheriff Department, Case #22-09419. On January 9, 2023, she submitted an identity theft
16 affidavit to the State of California Filing Compliance Bureau/franchise tax board.

17 55. Because of the nature of the scam, Yaffe is unlikely to recover any of the money
18 that Chase and its agents wired to overseas scammers. Yaffe lost nearly her entire life savings
19 over the course of 25 business days.

20 **G. Defendants knew or should have known that Yaffe was the victim of**
21 **financial elder abuse.**

- 22 **i. Defendants are well-aware of the hallmark signs of financial elder**
23 **abuse and how to prevent and report such abuse, but choose to**
24 **prioritize profits over protecting vulnerable customers**

25 56. Nearly a decade ago in 2013, the Board of Governors of the Federal Reserve
26 System and Consumer Financial Protection Bureau joined with six other federal agencies in
27 issuing an “Interagency Guidance on Privacy Laws and Reporting Financial Abuse of Older
28 Adults” (“Interagency Guidance”) to financial institutions such as Defendant Chase. The

1 Interagency Guidance underscored what by then was a well-known problem to Defendants and
2 the rest of the banking community:

3 Recent studies suggest that financial exploitation is the most common form of
4 elder abuse . . . Older adults can become targets of financial exploitation by
5 family members, caregivers, scam artists, financial advisers, home repair
6 contractors, fiduciaries (such as agents under power of attorney and guardians),
7 and others. Older adults are attractive targets because they may have significant
8 assets or equity in their homes. They may be especially vulnerable due to
9 isolation, cognitive decline, physical disability, health problems, and/or the recent
10 loss of a partner, family member, or friend. **Financial institutions can play a key
11 role in preventing and detecting elder financial exploitation. A financial
12 institution’s familiarity with older adults it encounters may enable it to spot
13 irregular transactions, account activity, or behavior. Prompt reporting of
14 suspected financial exploitation to adult protective services, law enforcement,
15 and/or long term ombudsmen can trigger appropriate intervention,
16 prevention of financial losses, and other remedies.**⁶ (emphasis added)

17 57. The importance of the role of financial institutions in preventing and reporting
18 financial elder abuse is emphasized in the Interagency Guidelines, including specifically
19 clarifying that financial institutions may observe financial exploitation and may report such
20 conduct without violating an older adult’s privacy.⁷

21 58. Further, the Interagency Guidelines specifically identify the well-known
22 hallmarks of financial abuse of older adults, including, but not limited to: “Erratic or unusual
23 banking transactions, or changes in banking patterns, such as. . . Uncharacteristic attempts to
24 wire large sums of money.”⁸

25 59. A single such banking transaction by an elderly customer signifies financial abuse
26 of an elder, as defined by California law, that is specifically identifiable and preventable by
27 Financial Institutions like Defendants.

28 60. Within days of the first wire transfer on September 13, 2022, Yaffe’s banking
pattern, each transaction of which Defendants actively facilitated, so blatantly demonstrated
elder financial abuse, there is no question Defendants knew and substantially assisted in the
abuse for the subsequent weeks, to the point that Yaffe’s life savings were nearly depleted.

⁶ https://files.consumerfinance.gov/f/201309_cfpb_elder-abuse-guidance.pdf

⁷ Id.

⁸ Id.

1 61. No other plausible explanation existed for the manifestly suspicious string of
2 seven wire transfers amounting to almost two million dollars, involving four Chase branches.

3 62. Further, Chase knew that all seven of the suspicious wire transfers made from
4 Yaffe's Chase account exceeded the U.S. Department of Treasury's \$10,000.00 threshold
5 requiring the filing of a "Currency Transaction Report," thereby invoking the scrutiny of Chase's
6 management. That scrutiny would have necessarily focused upon (and thereby informed Chase's
7 management of) the identity of the customer initiating the suspicious wire transfer, the amount of
8 the suspicious transaction, and the identity of the recipients.

9 63. Despite the fact that the very first wire transfer was for nine-times the Department
10 of Treasury's threshold, Chase employees continued to knowingly and substantially assist the
11 blatant financial elder abuse, completing six more transfers of over a quarter of a million dollars
12 each.

13 64. In the meantime, Chase continued to charge Yaffe for each of the wire transfers
14 that drained Yaffe's accounts.

15 65. When federal legislation such as the 2009 CARD Act clamped down on certain
16 predatory pricing practices by national banks (e.g., high late fees, interest rate hikes, expensive
17 overdraft protection), many of those banks, including Chase, looked for new sources of revenue
18 to make up for what they lost. One new source was a higher fee for making wire transfers.⁹

19 66. Chases provides employee training on developing a banker's abilities to sell
20 Chase products of services, and complete transactions correctly, but provides practically no
21 training of its representatives on their duty not to assist in elder financial abuse or on how to
22 report and prevent elder financial abuse.

23 67. Because Chase spends so much more time training its representatives to sell bank
24 products and services than it does training its representatives to spot and stop financial elder
25 abuse, those skewed priorities left its representatives far more prepared to earn the fee it charges
26 for wire transfers than to stop the blatantly unlawful elder financial abuse they were substantially
27 assisting in this case.

28 _____
⁹ <https://www.newyorker.com/business/currency/the-high-cost-for-the-poor-of-using-a-bank>

1 **ii. Defendants had a long-term banking relationship with Yaffe and**
2 **knew that Yaffe’s banking activity mirrored the hallmark signs of**
3 **financial elder abuse**

4 68. Yaffe has held a checking account with Chase since March of 2009. As
5 mentioned, Yaffe used this account primarily to pay for miscellaneous expenses associated with
6 her hobby of raising Newfoundland dogs. She also used the account to pay her personal credit
7 card. As mentioned, her account with Chase frequently held an average of \$600.00 and never
8 more than \$5,000.00 for more than a decade.

9 69. Yaffe’s banking activity with Chase in September and October 2022 was highly
10 unusual. Yaffe had not completed a wire transfer with Chase for several years prior to September
11 2022. In the one instance where she completed a wire transfer with Chase, the transfer was for
12 approximately \$1,200.00 and sent domestically. Even the smallest wire transfer sent by Chase
13 during the financial elder abuse scam was 100 times the average yearly balance in her account.

14 70. Chase knew or should have known that the activity constituted financial elder
15 abuse, as defined and outlined on its own website. Additionally, Chase knew or should have
16 known that the activity constituted financial elder abuse as described by Interagency Guidance,
17 discussed above.

18 **iii. Defendant violated its own policies and assurances to monitor**
19 **transactions for suspicious activity**

20 71. At all relevant times, Defendants knew that elderly individuals are especially
21 susceptible to financial fraud and that financial elder abuse accounts for tens of billions of dollars
22 in losses each year, according to the Consumer Financial Protection Bureau). As explained by
23 Chase on its website’s financial-abuse page, “Fraud is on the riseFraud reports have
24 increased by over 100% in the last 10 years.”¹⁰

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¹⁰ <https://www.chase.com/digital/resources/privacy-security/financial-abuse>

1 72. Additionally, Chase has been named in numerous similar lawsuits involving elder
2 Chase customers defrauded by wire scams dependent on Chase’s active involvement and
3 cooperation.¹¹

4 73. Chase was and is aware that one of the “popular” schemes used to defraud elders
5 is the “imposter” scheme. Chase is also aware of “business opportunity” scams, and should have
6 flagged Yaffe’s claims that she was building an overseas “meditation center” as suspicious:¹²

Understanding Financial Scams To Help Protect Yourself and Your Loved Ones CHASE

Scammers use elaborate stories to play on emotions and gain trust. The stories may vary, but the themes often stay the same. Be on guard for these popular scams:

- The Imposter**: "I'm with the IRS, and you owe back taxes. If not paid immediately, a lawsuit will be filed against you."
- Online Romance**: "I want to meet you in person, but I can't afford to travel. Can you send me money?"
- Lottery Winnings**: "Congratulations! You've won the lottery! We will need to collect taxes prior to your payment. I will send you the instructions to get this done."
- Grandparent**: "Grandma, I'm in trouble—I need money fast."
- Investment Opportunity**: "You've registered to receive notifications on investment opportunities. Are you ready to invest? I have a once-in-a-lifetime opportunity!"
- Tech Support**: "We've detected malware on your computer. Let's get that fixed for you. There will be a small cost associated to make your computer secure."

7 74. In order to assure customers that Chase will protect them from popular fraudulent
8 schemes, Chase promises customers that Chase “monitor[s] [customer’s] chase.com profile to
9 help us detect fraud as early as possible.”¹³

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12 ¹¹ See, e.g., <https://www.10news.com/news/team-10/elderly-couple-loses-nearly-700k-online-scam#:~:text=They%20filed%20a%20lawsuit%20against,purchase%20and%20bank%20wire%20transfers.>

13 ¹² https://www.chase.com/content/dam/chase-ux/documents/digital/resources/understanding_financial_scams_to_help_protect_yourself_and_your_loved_ones.pdf

¹³ <https://www.chase.com/digital/resources/privacy-security/security/how-we-protect-you>

1 75. Chase and its agents and representatives are and have been mandated reporters of
2 suspected financial abuse of an elder, such as Yaffe, as defined by the current version of Cal.
3 Welf. & Inst. Code § 15630.2 since January 1, 2020.

4 76. Chase did not file a Suspicious Activity Report (SAR) to alert FinCEN of
5 potential elder financial abuse, nor did it attempt to involve the appropriate law enforcement
6 officials during any of the seven suspicious transactions that took place at Chase branches.

7 77. Chase did not conform to BSA reporting requirements, including obligations
8 related to the Currency Transaction Report (CTR), as discussed above, and a Report of
9 International Transportation of Currency or Monetary Instruments (CMIR).

10 78. Chase does not have a centralized system for tracking suspicious activity among
11 various branches, even when suspicious activity is flagged by employees. In the one instance
12 where a Chase employee declined Yaffe's request for a wire transfer, she was able to make the
13 same transfer from a different Chase location the same day.

14 **iv. Defendants knew or should have known their actions were likely to be**
15 **harmful to Yaffe**

16 79. Defendants knew or should have known that by failing to follow their own
17 policies, including failing to continuously monitor Yaffe's account for suspicious activity, Yaffe
18 would be harmed.

19 80. Financial elder abuse causes irreparable and devastating harm to its elderly
20 victims, as occurred here. By the time the financial elder abuse is discovered by the victims, the
21 original perpetrator has usually spent or otherwise siphoned off the elderly victims' assets.
22 Efforts at restitution, therefore, are highly unlikely to yield any recovery of assets. The elderly
23 victim often experiences a permanent decline in his or her standard of living. Many victims
24 suffer even more from feelings of betrayal that typically accompany financial abuse.

25 81. Prosecutors call financial exploitation of the elderly a "violent crime," not
26 because of any physical force used by the wrongdoer, but because of its lethal effects. According
27 to a leading resource on elder abuse, published for California Judicial Officers, the impacts of
28 abuse include early morbidity for the elder, with the risk of death three times higher than for non-

1 victims. The impacts also include significant health effects, including declining functional
2 abilities; this often leads to progressive dependency, social isolation, a sense of helplessness, and
3 a cycle of worsening stress and psychological decline.¹⁴

4 82. Chase and its agent's failure to properly identify and flag the fraudulent wire
5 transfers is particularly egregious given that scammers often prey on elders by further isolating
6 them from their family and friends. In Yaffe's case, her long-term banking relationship with
7 Chase was the only safeguard. Chase failed her.

8 **H. Yaffe has suffered financial, physical and emotional harm as a result of**
9 **Defendants' abuse.**

10 83. Yaffe describes the events as a "hurricane" which has affected "everything."

11 84. Over the course of the scam, Chase and its agents approved seven wire transfers
12 totaling \$1,846,450.00 within a matter of weeks and sometimes within days of each other.
13 Almost her entire life savings and that of her deceased husband were gone. Yaffe was left with
14 approximately \$87,000.00 to cover her living expenses in retirement.

15 85. In a dark twist, Yaffe was left with significant tax liability due to the scam and
16 potentially owes almost half a million dollars to the actual IRS.

17 86. On May 19, 2023, Yaffe sold her house to cover her expenses. Although her
18 house had previously been appraised at \$2.7 million dollars, her diminished financial situation
19 compelled her to sell it immediately. Because of the current market downturn, she sold it for only
20 \$2.2 million dollars. Many of her possessions have been sold off in a recent estate sale.

21 87. Throughout the scam, aided by Chase and its representatives and agents, Yaffe
22 experienced extreme emotional distress. During conversations with Chase Defendants, Yaffe's
23 body would shake violently. At the end of each day, after speaking with an irate and threatening
24 blackmailer for almost eight hours at a time, Yaffe would return home exhausted and vomit. As
25 mentioned, the blackmailer would sometimes call in the middle of the night and press Yaffe for
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27

28 ¹⁴ "Elder Abuse Pocket Reference - A Medical/Legal Resource For California Judicial Officers,"
a joint publication by the Judicial Council of California, Center of Excellence on Elder Abuse
and Neglect and Program in Geriatrics, UC Irvine School of Medicine (2012), page 8.

1 the names and phone numbers of people whom she spoke to. He instilled in Yaffe a fear for her
2 physical safety and for the safety of her friends and family.

3 88. The blackmail scam has taken an emotional and psychological tole on Yaffe
4 during an already difficult period of her life. Although her social circle and support system had
5 shrunk during her husband's sickness and death, it became almost non-existent following the
6 scam. Yaffe entered into a deep depression and didn't speak to any family or friends. She
7 stopped taking her beloved Newfoundland dog to the park, even though she used to go to the
8 park daily. A neighbor offered to get her groceries when they noticed that Yaffe was no longer
9 leaving the house. Yaffe fears speaking on the phone and is distrustful of strangers. She suffers
10 from PTSD and insomnia.

11 89. As a result of the blackmail scam, Yaffe's physical health has also deteriorated.
12 She has lost 30 pounds because of continued digestive issues. Her shingles have worsened.
13 Recently, Yaffe's retina spontaneously ruptured, and she was required to undergo surgery. Both
14 Yaffe's general practitioner and eye specialist informed her that the spontaneous rupture was
15 likely due to stress.

16 **V. CAUSES OF ACTION**

17 **FIRST CAUSE OF ACTION**

18 **Violation of the Elder Abuse and Dependent Adult Civil Protection Act**

19 **Cal. Welf. & Inst. Code § 15600, et seq.**

20 **(Against All Defendants)**

21 90. Yaffe incorporates by reference all allegations contained in this Complaint as if
22 fully set forth in this section.

23 91. Defendants assisted in taking Yaffe's property when they completed seven
24 overseas wire transfers amounting to \$1,846,450.00 in furtherance of an elder financial abuse
25 scheme.

26 92. Defendant Casillias assisted in taking Yaffe's property when she signed off on a
27 fraudulent transaction mere hours after another Chase employee had identified the transaction as
28 fraudulent and refused to complete it.

1 93. At all times relevant to this Complaint, Yaffe was a resident of California and an
2 elder within the meaning of the California Welfare & Institutions Code § 15600, *et seq.*

3 94. Defendants knew or should have known that their conduct was likely to be
4 harmful to Yaffe at least because:

5 a. Defendants knew or should have known Yaffe was an elder, and that because of
6 her age, Yaffe was substantially more vulnerable to the deceptive taking of her
7 savings and assets.

8 b. Defendants are mandated reporters of suspected financial abuse of an elder adult
9 pursuant to Cal. Welf. & Inst. Code § 15630.1. Defendants were in direct contact
10 with Yaffe, reviewed her financial documents, records, and transactions in
11 connection with providing financial services to her, gave investment and banking
12 advice, and, within the scope of their professional practice, observed and knew
13 that her sudden, suspicious, and highly unusual banking activity reasonably
14 appeared to be financial abuse.

15 c. Defendants observed and had knowledge of behavior and unusual circumstances
16 and transactions that would lead an individual with adequate training or
17 experience, based on the same facts, to form a reasonable belief that Yaffe was
18 the victim of financial abuse of an elder.

19 d. Defendants' own policies dictate for the continuous monitoring of such suspicious
20 activity.

21 95. Due to Defendants' policies, knowledge and expertise, the failure to report,
22 prevent or delay the suspicious transfers of hundreds of thousands of dollars from Yaffe's Chase
23 account over only a handful of weeks, and in some cases within a matter of days, constituted
24 assisting in the taking of funds from Yaffe for a wrongful purpose, with the intent to defraud,
25 and/or undue influence.

26 96. As a result of Defendants' conduct, Yaffe was harmed.

27 97. Defendants' conduct was a substantial factor in causing Yaffe's harm.

1 115. Yaffe suffered serious emotional distress as a result of Defendant's acts and
2 omissions, including PTSD, shame and embarrassment, anxiety, fear of strangers, depression and
3 loss of enjoyment of life.

4 116. The Defendant's negligence was a substantial factor in causing Yaffe's serious
5 emotional distress.

6 117. The actions taken by Defendants set forth above were in all respects reckless,
7 fraudulent, oppressive, and/or malicious, and manifested conscious disregard for Yaffe's rights.
8 Yaffe is informed and believes, and on that basis alleges, that these willful, oppressive,
9 fraudulent and/or malicious acts as alleged herein above were ratified by the officers, directors,
10 and/or managing agents of the Defendants. Yaffe is therefore entitled to an award of exemplary
11 and punitive damages pursuant to California Civil Code § 3294, according to proof at trial.

12 118. Yaffe is entitled to compensatory damages, including general and special
13 damages, in an amount according to proof at time of trial.

14 119. Wherefore, Yaffe prays for relief as set forth below.

15 **VI. PRAYER FOR RELIEF**

- 16 1. Compensatory damages in an amount according to proof at trial;
- 17 2. Special and general damages in an amount according to proof;
- 18 3. Restitution in an amount according to proof;
- 19 4. Exemplary and punitive damages according to proof;
- 20 5. Costs of suit herein incurred;
- 21 6. Treble damages under Civil Code § 3345;
- 22 7. Pre- and post-judgment interest at the maximum legal rate:
- 23 8. For attorneys' fees; and,
- 24 9. For such other relief as the Court may deem just and proper.

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VII. DEMAND FOR JURY TRIAL

Artemis Yaffe demands trial by jury on all issues so triable.

Dated: January 29, 2024

COTCHETT, PITRE & McCARTHY, LLP

By: 

ANNE MARIE MURPHY
BLAIR V. KITTLE
THERESA E. VITALE

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