

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9234 / July 11, 2011

In the Matter of

J.P. MORGAN SECURITIES LLC

ORDER UNDER RULE 602(e) OF THE
SECURITIES ACT OF 1933 GRANTING
A WAIVER OF THE
DISQUALIFICATION PROVISIONS
OF RULES 602(b)(4) AND 602(c)(2)

J.P. Morgan Securities LLC (“JPMS”) has submitted a letter, dated June 17, 2011, requesting a waiver of the disqualification from the exemption from registration under Regulation E arising from the settlement with the Commission of a civil injunctive proceeding.

On July 7, 2011, the Commission filed a civil injunctive complaint against JPMS in the United States District Court for the District of New Jersey alleging that JPMS violated Section 15(c)(1)(A) of the Securities Exchange Act of 1934 (“Exchange Act”).

Pursuant to an Offer of Settlement from JPMS, JPMS simultaneously filed a “Consent of JP Morgan Securities LLC” in which it agreed, without admitting or denying the allegations of the Commission’s complaint, to the entry of a Final Judgment against it. Among other things, the Final Judgment permanently enjoins JPMS from violating Section 15(c)(1)(A) of the Exchange Act, orders JPMS to pay \$51,186,349 in disgorgement, penalties and interest. In its complaint the Commission alleges that JPMS was involved a bid-rigging scheme related to tax-exempt municipal securities.

Rule 602(b)(4) makes the Regulation E exemption unavailable to an issuer if, among other things, such issuer or any of its affiliates is subject to any “order, judgment, or decree of any court of competent jurisdiction, entered within five years prior to the filing of such [Regulation E] notification, temporarily or permanently restraining or enjoining such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of securities.” Rule 602(c)(2) also makes the exemption unavailable to an issuer if, among other things, any underwriter of the securities to be issued is “temporarily or permanently restrained or enjoined by any court from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or arising out of such person’s conduct as an underwriter, broker, dealer or investment adviser.” Rule 602(e) provides, however, that the disqualification “shall not apply . . . if the Commission determines, upon a showing of good cause, that it

is not necessary under the circumstances that the exemption be denied.”

Based on the representations set forth in JPMS’s June 17, 2011, request, the Commission has determined that, pursuant to Rule 602(e), a showing of good cause has been made and that it is not necessary under the circumstances that the exemption be denied as a result of the Final Judgment or as a result of any related injunction entered by a U.S. state or territorial court addressing the same activities as the settled injunctive proceeding.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver of the disqualification provision of Rules 602(b)(4) and 602(c)(2) under the Securities Act resulting from the entry of the Final Judgment is hereby granted.

By the Commission.

Elizabeth M. Murphy
Secretary