

# JPMORGAN CHASE & CO.

## Structured Investments

### JPMorgan Chase & Co. \$4,000,000 Return Enhanced Notes Linked to the S&P 500® Index due July 3, 2012

#### General

- The notes are designed for investors who seek a return of five times the appreciation of the S&P 500® Index up to a maximum total return on the notes of 65.00% at maturity. Investors should be willing to forgo interest and dividend payments and, if the Index declines, be willing to lose some or all of their principal.
- Senior unsecured obligations of JPMorgan Chase & Co. maturing July 3, 2012<sup>†</sup>.
- Minimum denominations of \$20,000 and integral multiples of \$1,000 in excess thereof.
- The notes priced on April 8, 2009 and are expected to settle on or about April 14, 2009.

#### Key Terms

**Index:** The S&P 500® Index (the "Index")

**Upside Leverage Factor:** 5

**Payment at Maturity:** If the Ending Index Level is greater than the Strike Level, you will receive a cash payment that provides you with a return per \$1,000 principal amount note equal to the Index Return multiplied by five, subject to a Maximum Total Return on the notes of 65.00%. For example, if the Index Return is more than 13.00%, you will receive the Maximum Total Return on the notes of 65.00%, which entitles you to a maximum payment at maturity of \$1,650 for every \$1,000 principal amount note that you hold. Accordingly, if the Index Return is positive, your payment at maturity per \$1,000 principal amount note will be calculated as follows, subject to the Maximum Total Return:

$$\$1,000 + [\$1,000 \times (\text{Index Return} \times 5)]$$

**Your investment will be fully exposed to any decline in the Index.** If the Ending Index Level declines from the Strike Level, you will lose 1% of the principal amount of your notes for every 1% that the Ending Index Level declines beyond the Strike Level. Accordingly, if the Index Return is negative, your payment at maturity per \$1,000 principal amount note will be calculated as follows:

$$\$1,000 + (\$1,000 \times \text{Index Return})$$

*You will lose some or all of your investment at maturity if the Ending Index Level declines from the Strike Level.*

**Index Return:** The performance of the Index from the Strike Level to the Ending Index Level, calculated as follows:

$$\frac{\text{Ending Index Level} - \text{Strike Level}}{\text{Strike Level}}$$

**Strike Level:** Set equal to 820.25, as determined on the pricing date in the sole discretion of the calculation agent. **The Strike Level is not the regular official weekday Index closing level on the pricing date.** Although the calculation agent has made all determinations and taken all action in relation to establishing the Strike Level in good faith, it should be noted that such discretion could have an impact (positive or negative), on the value of your notes. The calculation agent is under no obligation to consider your interests as a holder of the notes in taking any actions, including the determination of the Strike Level, that might affect the value of your notes.

**Ending Index Level:** The arithmetic average of the Index closing levels on each of the five Ending Averaging Dates.

**Ending Averaging Dates<sup>†</sup>:** June 22, 2012, June 25, 2012, June 26, 2012, June 27, 2012 and June 28, 2012.

**Maturity Date<sup>†</sup>:** July 3, 2012

**CUSIP:** 48123LT20

<sup>†</sup> Subject to postponement in the event of a market disruption event and as described under "Description of Notes — Payment at Maturity" in the accompanying product supplement no. 18-A-I.

**Investing in the Return Enhanced Notes involves a number of risks. See "Risk Factors" beginning on page PS-7 of the accompanying product supplement no. 18-A-I and "Selected Risk Considerations" beginning on page PS-3 of this pricing supplement.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or passed upon the accuracy or the adequacy of this pricing supplement or the accompanying prospectus supplement and prospectus. Any representation to the contrary is a criminal offense.

	Price to Public	Fees and Commissions (1)	Proceeds to Us
Per note	\$1,000	\$35.50	\$964.50
Total	\$4,000,000	\$142,000	\$3,858,000

(1) J.P. Morgan Securities Inc., which we refer to as JPMSI, acting as agent for JPMorgan Chase & Co., will receive a commission of \$35.50 per \$1,000 principal amount note and will use a portion of that commission to pay selling concessions to other affiliated dealers of \$20.50 per \$1,000 principal amount note. See "Plan of Distribution" beginning on page PS-30 of the accompanying product supplement no. 18-A-I.

*The notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank. The notes are **not** guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program.*

J.P.Morgan

### Additional Terms Specific to the Notes

You should read this pricing supplement together with the prospectus dated November 21, 2008, as supplemented by the prospectus supplement dated November 21, 2008 relating to our Series E medium-term notes of which these notes are a part, and the more detailed information contained in product supplement no. 18-A-I dated November 21, 2008. **This pricing supplement, together with the documents listed below, contains the terms of the notes, supplements the term sheet related hereto dated April 8, 2009 and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours.** You should carefully consider, among other things, the matters set forth in “Risk Factors” in the accompanying product supplement no. 18-A-I, as the notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the notes.

You may access these documents on the SEC website at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Product supplement no. 18-A-I dated November 21, 2008:  
[http://www.sec.gov/Archives/edgar/data/19617/000089109208005673/e33560\\_424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000089109208005673/e33560_424b2.pdf)
- Prospectus supplement dated November 21, 2008:  
[http://www.sec.gov/Archives/edgar/data/19617/000089109208005661/e33600\\_424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000089109208005661/e33600_424b2.pdf)
- Prospectus dated November 21, 2008:  
[http://www.sec.gov/Archives/edgar/data/19617/000089109208005658/e33655\\_424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000089109208005658/e33655_424b2.pdf)

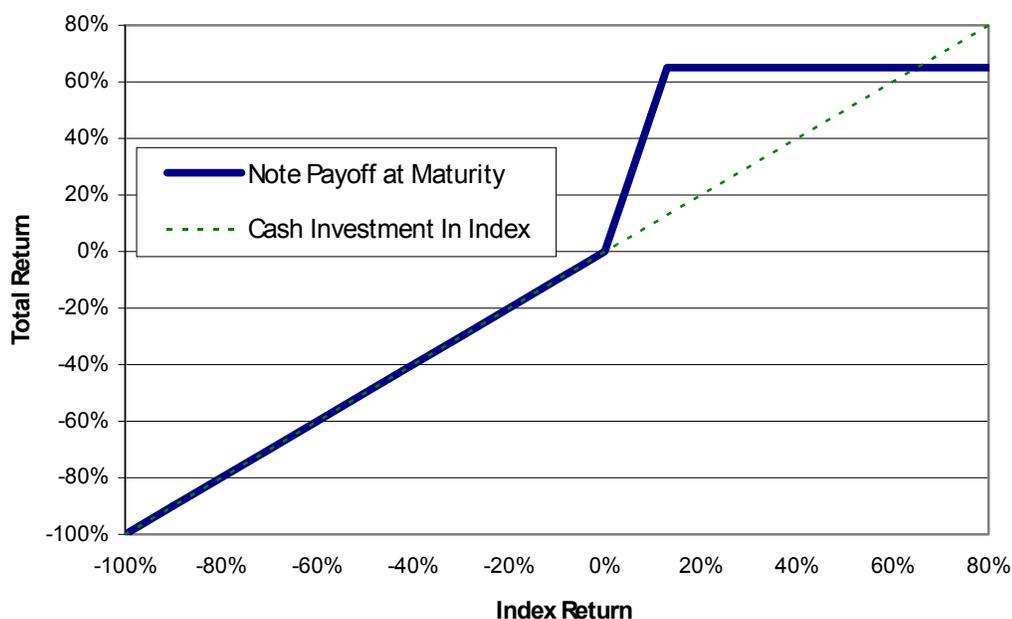
Our Central Index Key, or CIK, on the SEC website is 19617. As used in this pricing supplement, the “Company,” “we,” “us,” or “our” refers to JPMorgan Chase & Co.

### What Is the Total Return on the Notes at Maturity Assuming a Range of Performance for the Index?

The following table and graph illustrate the hypothetical total return at maturity on the notes. The “total return” as used in this pricing supplement is the number, expressed as a percentage, that results from comparing the payment at maturity per \$1,000 principal amount note to \$1,000. The hypothetical total returns set forth below assume a Strike Level of 820 and reflect the Maximum Total Return on the notes of 65.00%. The hypothetical total returns set forth below are for illustrative purposes only and may not be the actual total returns applicable to a purchaser of the notes. The numbers appearing in the following table, graph and examples have been rounded for ease of analysis.

Ending Index Level	Index Return	Total Return on the Notes
1476.00	80.00%	65.00%
1353.00	65.00%	65.00%
1230.00	50.00%	65.00%
1148.00	40.00%	65.00%
984.00	20.00%	65.00%
943.00	15.00%	65.00%
926.60	13.00%	65.00%
902.00	10.00%	50.00%
861.00	5.00%	25.00%
840.50	2.50%	12.50%
828.20	1.00%	5.00%
<b>820.00</b>	<b>0.00%</b>	<b>0.00%</b>
779.00	-5.00%	-5.00%
738.00	-10.00%	-10.00%
656.00	-20.00%	-20.00%
574.00	-30.00%	-30.00%
492.00	-40.00%	-40.00%
410.00	-50.00%	-50.00%
328.00	-60.00%	-60.00%
246.00	-70.00%	-70.00%
164.00	-80.00%	-80.00%
82.00	-90.00%	-90.00%
0	-100.00%	-100.00%

**Return Enhanced Notes Linked to the S&P 500® Index  
Total Return at Maturity**



**Hypothetical Examples of Amounts Payable at Maturity**

The following examples illustrate how the total returns set forth in the table on the previous page and the graph above are calculated.

**Example 1: The level of the Index increases from the Strike Level of 820 to an Ending Index Level of 861.** Because the Ending Index Level of 861 is greater than the Strike Level of 820 and the Index Return of 5% multiplied by 5 does not exceed the Maximum Total Return of 65.00%, the investor receives a payment at maturity of \$1,250 per \$1,000 principal amount note, calculated as follows:

$$\$1,000 + [\$1,000 \times (5\% \times 5)] = \$1,250$$

**Example 2: The level of the Index increases from the Strike Level of 820 to an Ending Index Level of 943.** Because the Ending Index Level of 943 is greater than the Strike Level of 820 and the Index Return of 15% multiplied by 5 exceeds the Maximum Total Return of 65.00%, the investor receives a payment at maturity of \$1,650 per \$1,000 principal amount note, the maximum payment on the notes.

**Example 3: The level of the Index decreases from the Strike Level of 820 to an Ending Index Level of 656.** Because the Ending Index Level of 656 is less than the Strike Level of 820, the Index Return is negative and the investor receives a payment at maturity of \$800 per \$1,000 principal amount note, calculated as follows:

$$\$1,000 + (\$1,000 \times -20\%) = \$800$$

**Selected Purchase Considerations**

- **APPRECIATION POTENTIAL** — The notes provide the opportunity to enhance equity returns by multiplying a positive Index Return by five, up to the Maximum Total Return on the notes of 65.00%, or a maximum payment at maturity of \$1,650 for every \$1,000 principal amount note. Because the notes are our senior unsecured obligations, payment of any amount at maturity is subject to our ability to pay our obligations as they become due.
- **DIVERSIFICATION OF THE S&P 500® INDEX** — The return on the notes is linked to the S&P 500® Index. The S&P 500® Index consists of 500 component stocks selected to provide a performance benchmark for the U.S. equity markets. For additional information about the Index, see the information set forth under “The S&P 500® Index” in the accompanying product supplement no. 18-A-I.

- **CAPITAL GAINS TAX TREATMENT** — You should review carefully the section entitled “Certain U.S. Federal Income Tax Consequences” in the accompanying product supplement no. 18-A-I. Based on the opinion of our special tax counsel, Davis Polk & Wardwell, provided in the accompanying product supplement, we believe that it is reasonable to treat, and we intend to treat, the notes as “open transactions” for U.S. federal income tax purposes. Assuming this characterization is respected, the gain or loss on your notes should be treated as long-term capital gain or loss if you hold your notes for more than a year, whether or not you are an initial purchaser of notes at the issue price. However, the Internal Revenue Service (the “IRS”) or a court may not respect this characterization or treatment of the notes, in which case the timing and character of any income or loss on the notes could be significantly and adversely affected. In addition, on December 7, 2007, Treasury and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments, such as the notes. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by Non-U.S. Holders should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income that is subject to an interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the notes, possibly with retroactive effect. Both U.S. and Non-U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences of an investment in the notes, including possible alternative treatments and the issues presented by this notice.

### Selected Risk Considerations

An investment in the notes involves significant risks. Investing in the notes is not equivalent to investing directly in the Index or any of the component securities of the Index. These risks are explained in more detail in the “Risk Factors” section of the accompanying product supplement no. 18-A-I dated November 21, 2008.

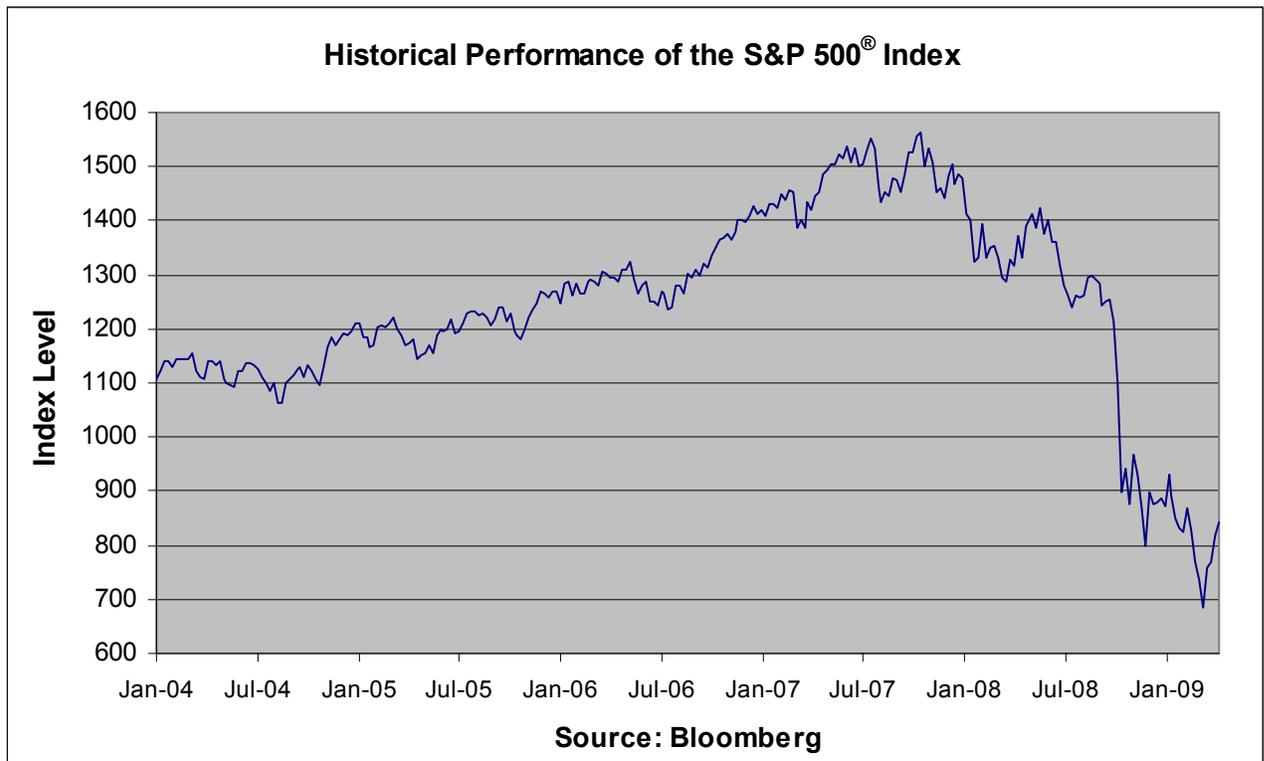
- **YOUR INVESTMENT IN THE NOTES MAY RESULT IN A LOSS** — The notes do not guarantee any return of principal. The return on the notes at maturity is linked to the performance of the Index and will depend on whether, and the extent to which, the Index Return is positive or negative. Your investment will be fully exposed to any decline in the Ending Index Level as compared to the Strike Level.
- **YOUR MAXIMUM GAIN ON THE NOTES IS LIMITED TO THE MAXIMUM TOTAL RETURN** — If the Ending Index Level is greater than the Strike Level, for each \$1,000 principal amount note, you will receive at maturity \$1,000 plus an additional amount that will not exceed the Maximum Total Return of 65.00%, regardless of the appreciation in the Index, which may be significant.
- **CREDIT RISK OF JPMORGAN CHASE & CO.** — The notes are subject to the credit risk of JPMorgan Chase & Co. and our credit ratings and credit spreads may adversely affect the market value of the notes. Investors are dependent on JPMorgan Chase & Co.’s ability to pay all amounts due on the notes at maturity, and therefore investors are subject to our credit risk and to changes in the market’s view of our creditworthiness. Any decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the value of the notes.
- **CERTAIN BUILT-IN COSTS ARE LIKELY TO ADVERSELY AFFECT THE VALUE OF THE NOTES PRIOR TO MATURITY** — While the payment at maturity described in this pricing supplement is based on the full principal amount of your notes, the original issue price of the notes includes the agent’s commission and the estimated cost of hedging our obligations under the notes through one or more of our affiliates. As a result, the price, if any, at which JPMSI will be willing to purchase notes from you in secondary market transactions, if at all, will likely be lower than the original issue price, and any sale prior to the maturity date could result in a substantial loss to you. The notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your notes to maturity.
- **NO INTEREST OR DIVIDEND PAYMENTS OR VOTING RIGHTS** — As a holder of the notes, you will not receive interest payments, and you will not have voting rights or rights to receive cash dividends or other distributions or other rights that holders of securities composing the Index would have.
- **LACK OF LIQUIDITY** — The notes will not be listed on any securities exchange. JPMSI intends to offer to purchase the notes in the secondary market but is not required to do so. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the notes easily. Because other dealers are not likely to make a secondary market for the notes, the price at which you may be able to trade your notes is likely to depend on the price, if any, at which JPMSI is willing to buy the notes.
- **POTENTIAL CONFLICTS** — We and our affiliates play a variety of roles in connection with the issuance of the notes, including acting as calculation agent and hedging our obligations under the notes. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the notes. The Strike Level is an Index level determined on the pricing date in the sole discretion of the calculation agent. Although the calculation agent has made all determinations and taken all action in relation to establishing the Strike Level in good faith, it should be noted that such discretion could have an impact (positive or negative), on the value of your notes. The calculation agent is under no obligation to consider your interests as a holder of the notes in taking any actions, including the determination of the Strike Level, that might affect the value of your notes. In addition, we are currently one of the companies that make up the Index. We will not have any obligation to consider your interests as a holder of the notes in taking any corporate action that might affect the value of the Index and the notes.

- **MANY ECONOMIC AND MARKET FACTORS WILL IMPACT THE VALUE OF THE NOTES** — In addition to the level of the Index on any day, the value of the notes will be affected by a number of economic and market factors that may either offset or magnify each other, including:
  - the expected volatility of the Index;
  - the time to maturity of the notes;
  - the dividend rate on the equity securities underlying the Index;
  - interest and yield rates in the market generally;
  - a variety of economic, financial, political, regulatory or judicial events; and
  - our creditworthiness, including actual or anticipated downgrades in our credit ratings.

### Historical Information

The following graph sets forth the historical weekly performance of the S&P 500<sup>®</sup> Index based on the weekly Index closing level from January 2, 2004 through April 3, 2009. The Index closing level on April 8, 2009 was 825.16. We obtained the Index closing levels below from Bloomberg Financial Markets. We make no representation or warranty as to the accuracy or completeness of the information obtained from Bloomberg Financial Markets.

The historical levels of the Index should not be taken as an indication of future performance, and no assurance can be given as to the Index closing level on any of the Ending Averaging Dates. We cannot give you assurance that the performance of the Index will result in the return of any of your initial investment.



### Supplemental Plan of Distribution

We expect that delivery of the notes will be made against payment for the notes on or about the settlement date set forth on the front cover of this pricing supplement, which will be the fourth business day following the expected pricing date of the notes (this settlement cycle being referred to as T+4). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to that trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the pricing date will be required to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisors.