

# JPMORGAN CHASE & CO.

## Structured Investments

**\$18,557,000**

**Return Notes Linked to the MDAX® Index due June 23, 2011**

### General

- The notes are designed for investors who seek unleveraged exposure to the performance of the MDAX® Index, subject to the Index Adjustment Factor. Investors should be willing to forgo interest and dividend payments and, if the Index declines or if the Ending Index Level is not greater than the Initial Index Level by approximately 1.01%, be willing to lose some or all of their principal. **Any payment on the notes is subject to the credit risk of JPMorgan Chase & Co.**
- Senior unsecured obligations of JPMorgan Chase & Co. maturing June 23, 2011<sup>†</sup>
- Minimum denominations of \$10,000 and integral multiples of \$1,000 in excess thereof
- The notes priced on June 11, 2010 and are expected to settle on or about June 16, 2010.

### Key Terms

Index:	The MDAX® Index (the “Index”)
Payment at Maturity:	Payment at maturity will reflect the performance of the Index, subject to the Index Adjustment Factor. Accordingly, at maturity, you will receive an amount per \$1,000 principal amount note calculated as follows: $\$1,000 \times (1 + \text{Index Return}) \times \text{Index Adjustment Factor}$ <p><b><i>Because the Index Adjustment Factor is 99%, you will lose some or all of your investment at maturity if the Index Return is less than approximately 1.01%.</i></b> For more information on how the Index Adjustment Factor can affect your payment at maturity, please see “What Is the Total Return on the Notes at Maturity, Assuming a Range of Performances for the Index?” in this pricing supplement.</p>
Index Return:	The performance of the Index from the Initial Index Level to the Ending Index Level, calculated as follows: $\frac{\text{Ending Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}}$
Index Adjustment Factor:	99%
Initial Index Level:	The Index closing level on the pricing date, which was 8238.39
Ending Index Level:	The Index closing level on the Observation Date
Observation Date:	June 20, 2011 <sup>†</sup>
Maturity Date:	June 23, 2011 <sup>†</sup>
CUSIP:	48124AUM7

<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. 189-A-I

**Investing in the Return Notes involves a number of risks. See “Risk Factors” beginning on page PS-4 of the accompanying product supplement no. 189-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 (1)	Fees and Commissions (2)	Proceeds to Us
Per note	\$1,000	\$7	\$993
Total	\$18,557,000	\$129,899	\$18,427,101

- (1) The price to the public includes the estimated cost of hedging our obligations under the notes through one or more of our affiliates, which includes our affiliates’ expected cost of providing such hedge as well as the profit our affiliates expect to realize in consideration for assuming the risks inherent in providing such hedge. For additional related information, please see “Use of Proceeds” beginning on page PS-11 of the accompanying product supplement no. 189-A-I.
- (2) J.P. Morgan Securities Inc., which we refer to as JPMSI, acting as agent for JPMorgan Chase & Co., will receive a commission of \$7.00 per \$1,000 principal amount note. See “Plan of Distribution (Conflicts of Interest)” beginning on page PS-27 of the accompanying product supplement no. 189-A-I.

For a different portion of the notes to be sold in this offering, an affiliated bank will receive a fee and another affiliate of ours will receive a structuring and development fee. The aggregate amount of these fees will be \$7.00 per \$1,000 principal amount note.

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

**J.P.Morgan**

June 11, 2010

## 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. 189-A-I dated May 12, 2010. **This pricing supplement, together with the documents listed below, contains the terms of the notes, supplements the term sheet related hereto dated June 10, 2010 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. 189-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. 189-A-I dated May 12, 2010:  
[http://www.sec.gov/Archives/edgar/data/19617/000089109210001949/e38755\\_424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000089109210001949/e38755_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 Performances for the Index?

The following table and examples illustrate the hypothetical total return at maturity for each \$1,000 principal amount note. 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 an Initial Index Level of 8000 and reflect the Index Adjustment Factor of 99%. The hypothetical total returns set forth below are for illustrative purposes only and may not be the actual total returns at maturity applicable to a purchaser of the notes. The numbers appearing in the following table and examples have been rounded for ease of analysis.

Ending Index Level	Index Return	Total Return
16000.0000	100.0000%	98.0000%
14000.0000	75.0000%	73.2500%
12000.0000	50.0000%	48.5000%
10400.0000	30.0000%	28.7000%
9600.0000	20.0000%	18.8000%
8800.0000	10.0000%	8.9000%
8400.0000	5.0000%	3.9500%
8200.0000	2.5000%	1.4750%
<b>8080.8081</b>	<b>1.0101%</b>	<b>0.0000%</b>
8040.0000	0.5000%	-0.5050%
<b>8000.0000</b>	<b>0.0000%</b>	<b>-1.0000%</b>
7600.0000	-5.0000%	-5.9500%
7200.0000	-10.0000%	-10.9000%
6400.0000	-20.0000%	-20.8000%
5600.0000	-30.0000%	-30.7000%
4800.0000	-40.0000%	-40.6000%
4000.0000	-50.0000%	-50.5000%
3200.0000	-60.0000%	-60.4000%
2400.0000	-70.0000%	-70.3000%
1600.0000	-80.0000%	-80.2000%
800.0000	-90.0000%	-90.1000%
0.0000	-100.0000%	-100.0000%

## Hypothetical Examples of Amounts Payable at Maturity

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

**Example 1: The level of the Index increases from the Initial Index Level of 8000 to an Ending Index Level of 8400.** Because the Ending Index Level of 8400 is greater than the Initial Index Level of 8000, the investor receives a payment at maturity of \$1,039.50 per \$1,000 principal amount note, calculated as follows:

$$\$1,000 \times (1 + 5\%) \times 99\% = \$1,039.50$$

**Example 2: The level of the Index increases from the Initial Index Level of 8000 to an Ending Index Level of 8040.** Although the Ending Index Level of 8040 is greater than the Initial Index Level of 8000, because of the negative effect of the Index Adjustment Factor, the investor receives a payment at maturity of \$994.95 per \$1,000 principal amount note, calculated as follows:

$$\$1,000 \times (1 + 0.50\%) \times 99\% = \$994.95$$

**Example 3: The level of the Index decreases from the Initial Index Level of 8000 to an Ending Index Level of 6400.** Because the Ending Index Level of 6400 is less than the Initial Index Level of 8000, the investor receives a payment at maturity of only \$792.00 per \$1,000 principal amount note, calculated as follows:

$$\$1,000 \times (1 + -20\%) \times 99\% = \$792.00$$

## Selected Purchase Considerations

- **INVESTMENT EXPOSURE TO THE PERFORMANCE OF THE MDAX® INDEX** — The notes provide unleveraged exposure to the performance of the Index, subject to the Index Adjustment Factor. 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.
- **RETURN LINKED TO THE MDAX® INDEX** — The return on the notes is linked to the performance of the MDAX® Index. The MDAX® Index is a capital-weighted index that comprises 50 mid-cap issuers based in Germany from classic sectors (*i.e.*, sectors other than technology sectors). The MDAX® Index is a total return index, which reinvests all income from dividend and bonus payments in the Index portfolio. For additional information regarding the MDAX® Index, see the information set forth under “The MDAX® Index” in the accompanying product supplement no. 189-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. 189-A-I. Subject to the limitations described therein, and based on certain factual representations received from us, in the opinion of our special tax counsel, Davis Polk & Wardwell LLP, it is reasonable 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, in 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 and impose 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. Non-U.S. Holders should also note that they may be withheld upon at a rate of up to 30% unless they have submitted a properly completed IRS Form W-8BEN or otherwise satisfied the applicable documentation requirements.

The discussion in the preceding paragraph, when read in combination with the section entitled “Certain U.S. Federal Income Tax Consequences” in the accompanying product supplement, constitutes the full opinion of Davis Polk & Wardwell LLP regarding the material U.S. federal income tax consequences of owning and disposing of notes.

## 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. 189-A-I dated May 12, 2010.

- **YOUR INVESTMENT IN THE NOTES MAY RESULT IN A LOSS** — The notes do not guarantee any return of your principal. The amount payable at maturity, if any, will reflect the performance of the Index, subject to a reduction by the Index Adjustment Factor. Because the Index Adjustment Factor reduces the Index Return, if the Ending Index Level is not greater than the Initial Index Level by approximately 1.01%, you will lose some or all of your investment in the notes.
- **THE INDEX ADJUSTMENT FACTOR WILL MAGNIFY ANY DECLINE IN THE INDEX** — If the Index Return is negative, at maturity, you will lose some or all of your investment. In addition, the Index Adjustment Factor will magnify any decline in the Index. For each 1% that the Ending Index Level is less than the Initial Index Level, you will lose more than 1% of your investment in the notes, *provided* that the payment at maturity will not be less than zero.
- **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.
- **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.
- **NO DIRECT EXPOSURE TO FLUCTUATIONS IN FOREIGN EXCHANGE RATES** — The value of your notes will not be adjusted for exchange rate fluctuations between the U.S. dollar and the currencies in which the equity securities composing the Index are denominated (primarily the European Union euro), although any currency fluctuations could affect the performance of the Index. Therefore, if the applicable currencies appreciate or depreciate relative to the U.S. dollar over the term of the notes, you will not receive any additional payment or incur any reduction in payment at maturity.
- **CERTAIN BUILT-IN COSTS ARE LIKELY TO AFFECT ADVERSELY THE VALUE OF THE NOTES PRIOR TO MATURITY** — While the payment at maturity, if any, 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. 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. **Because the Index Adjustment Factor always reduces the Index Return, your return from an investment in the notes may be less than the return from a direct investment in the Index or the equity securities composing the Index.**
- **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.
- **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;
  - the exchange rate and the volatility of the exchange rate between the U.S. dollar and the European Union euro;
  - a variety of economic, financial, political, regulatory and judicial events; and
  - our creditworthiness, including actual or anticipated downgrades in our credit ratings.

## Historical Information

The following graph sets forth the historical performance of the Index based on the weekly historical Index closing levels from January 7, 2005 through June 11, 2010. The Index closing level on June 11, 2010 was 8238.39. 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 the Observation Date. We cannot give you assurance that the performance of the Index will result in the return of any of your initial investment.

