

**Term sheet**

To prospectus dated November 21, 2008,  
prospectus supplement dated November 21, 2008 and  
product supplement no. 20-A-IV dated April 15, 2010

**Term sheet to**

**Product Supplement No. 20-A-IV**  
**Registration Statement No. 333-155535**  
**Dated January 13, 2011; Rule 433**

**JPMORGAN CHASE & CO.****Structured  
Investments****JPMorgan Chase & Co.****\$****Single Review Notes Linked to the EURO STOXX 50® Index due January 27, 2012****General**

- The notes are designed for investors who seek a fixed return that will not be less than 14.70%\* if, on the Review Date, the EURO STOXX 50® Index is at or above the Call Level. If the notes are not automatically called, investors should be willing to lose some or all of their principal if the Ending Index Level is less than the Initial Index Level by more than 10%. Investors in the notes should be willing to accept this risk of loss, and be willing to forgo interest and dividend payments, in exchange for the opportunity to receive a premium payment if the notes are automatically called. **Any payment on the notes is subject to the credit risk of JPMorgan Chase & Co.**
- Senior unsecured obligations of JPMorgan Chase & Co. maturing January 27, 2012<sup>†</sup>
- Minimum denominations of \$1,000 and integral multiples thereof
- The notes are expected to price on or about January 18, 2011 and are expected to settle on or about January 21, 2011. The pricing date, for purposes of these notes, is the day we determine the call premium and, accordingly, reflects the day the terms of the notes becomes final.

**Key Terms**

Index:	The EURO STOXX 50® Index (the "Index")
Automatic Call:	If the Index closing level on the Review Date is greater than or equal to the Call Level, the notes will be automatically called for a cash payment as described below.
Call Level:	100% of the Initial Index Level
Payment if Called:	If the notes are automatically called on the Review Date, for every \$1,000 principal amount note, you will receive one payment of \$1,000 plus a call premium amount that will not be less than 14.70%* x \$1,000. *The actual call premium used to calculate the call price applicable to the Review Date will be determined on the pricing date and will not be less than 14.70%.
Payment at Maturity:	If the notes are not automatically called and the Ending Index Level is less than the Initial Index Level by no more than 10%, you will receive the principal amount of your notes at maturity. If the Ending Index Level is less than the Initial Index Level by more than 10%, you will lose 1.111% of the principal amount of your notes for every 1% that the Ending Index Level is less than the Initial Index Level by more than 10%, and your payment at maturity per \$1,000 principal amount note will be calculated as follows: $\$1,000 + [\$1,000 \times (\text{Index Return} + 10\%) \times 1.1111]$ <i>If the notes are not automatically called and the Ending Index Level is less than the Initial Index Level by more than 10%, you will lose some or all of your investment at maturity.</i>
Buffer Amount:	10%
Downside Leverage Factor:	1.1111
Index Return:	The performance of the Index from the Initial Index Level to the Ending Index Level calculated as follows: $\frac{\text{Ending Index Level} - \text{Initial Index Level}}{\text{Initial Index Level}}$
Initial Index Level:	<b>The Index closing level on January 13, 2011</b>
Ending Index Level:	The Index closing level on the Review Date
Review Date <sup>†</sup> :	January 24, 2012
Maturity Date <sup>†</sup> :	January 27, 2012
CUSIP:	48125XBD7

<sup>†</sup> Subject to postponement in the event of a market disruption event and as described under "Description of Notes — Payment at Maturity" or "Description of Notes — Automatic Call," as applicable, in the accompanying product supplement no. 20-A-IV

**Investing in the Single Review Notes involves a number of risks. See "Risk Factors" beginning on page PS-5 of the accompanying product supplement no. 20-A-IV and "Selected Risk Considerations" beginning on page TS-2 of this term sheet.**

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 term sheet or the accompanying prospectus supplement and prospectus. Any representation to the contrary is a criminal offense.

	<b>Price to Public (1)</b>	<b>Fees and Commissions (2)</b>	<b>Proceeds to Us</b>
<b>Per note</b>	\$	\$	\$
<b>Total</b>	\$	\$	\$

(1) The price to the public includes the estimated cost of hedging our obligations under the notes through one or more of our affiliates.

(2) If the notes priced today, J.P. Morgan Securities LLC, which we refer to as JPMS, acting as agent for JPMorgan Chase & Co., would receive a commission of approximately \$9.00 per \$1,000 principal amount note and would use a portion of that commission to allow selling concessions to other affiliated or unaffiliated dealers of approximately \$0.50 per \$1,000 principal amount note. This commission includes the projected profits that our affiliates expect to realize for assuming risks inherent in hedging our obligations under the notes. The actual commission received by JPMS may be more or less than \$9.00 and will depend on market conditions on the pricing date. In no event will the commission received by JPMS, which includes concessions to other dealers, exceed \$25.00 per \$1,000 principal amount note. See "Plan of Distribution (Conflicts of Interest)" beginning on page PS-50 of the accompanying product supplement no. 20-A-IV.

*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**

January 13, 2011

### Additional Terms Specific to the Notes

JPMorgan Chase & Co. has filed a registration statement (including a prospectus) with the Securities and Exchange Commission, or SEC, for the offering to which this term sheet relates. Before you invest, you should read the prospectus in that registration statement and the other documents relating to this offering that JPMorgan Chase & Co. has filed with the SEC for more complete information about JPMorgan Chase & Co. and this offering. You may get these documents without cost by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, JPMorgan Chase & Co., any agent or any dealer participating in this offering will arrange to send you the prospectus, the prospectus supplement, product supplement no. 20-A-IV and this term sheet if you so request by calling toll-free 866-535-9248.

You may revoke your offer to purchase the notes at any time prior to the time at which we accept such offer by notifying the applicable agent. We reserve the right to change the terms of, or reject any offer to purchase, the notes prior to their issuance. In the event of any changes to the terms of the notes, we will notify you and you will be asked to accept such changes in connection with your purchase. You may also choose to reject such changes in which case we may reject your offer to purchase.

You should read this term sheet 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. 20-A-IV dated April 15, 2010. **This term sheet, together with the documents listed below, contains the terms of the notes 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. 20-A-IV, 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. 20-A-IV dated April 15, 2010:  
[http://www.sec.gov/Archives/edgar/data/19617/000089109210001525/e38483\\_424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000089109210001525/e38483_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 term sheet, the “Company,” “we,” “us” or “our” refers to JPMorgan Chase & Co.

### Selected Purchase Considerations

- **APPRECIATION POTENTIAL** — If the Index closing level is greater than or equal to the Call Level on the Review Date, your investment will yield a payment per note of \$1,000 plus a call premium amount that will not be less than  $14.70\% \times \$1,000$ . 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.  
\*The actual call premium will be determined on the pricing date and will not be less than 14.70%.
- **LIMITED PROTECTION AGAINST LOSS** — If the notes are not automatically called and the Ending Index Level is less than the Initial Index Level, by not more than 10%, you will be entitled to receive the full principal amount of your notes at maturity. If the Ending Index Level is less than the Initial Index Level by more than 10%, for every 1% that the Ending Index Level is less than the Initial Index Level by more than 10%, you will lose an amount equal to 1.111% of the principal amount of your notes.
- **DIVERSIFICATION OF THE EURO STOXX 50<sup>®</sup> INDEX** — The return on the notes is linked to the performance of the EURO STOXX 50<sup>®</sup> Index. The EURO STOXX 50<sup>®</sup> Index consists of 50 component stocks of market sector leaders from within the Eurozone. The EURO STOXX 50<sup>®</sup> Index and STOXX<sup>®</sup> are the intellectual property (including registered trademarks) of STOXX Limited, Zurich, Switzerland and/or its licensors (the “Licensors”), which are used under license. The notes based on the EURO STOXX 50<sup>®</sup> Index are in no way sponsored, endorsed, sold or promoted by STOXX Limited and its Licensors and neither of the Licensors shall have any liability with respect thereto. For additional information about the Index, see the information set forth under “The EURO STOXX 50<sup>®</sup> Index” in the accompanying product supplement no. 20-A-IV.

- **CAPITAL GAINS TAX TREATMENT** — You should review carefully the section entitled “Certain U.S. Federal Income Tax Consequences” in the accompanying product supplement no. 20-A-IV. Based on the opinion of our special tax counsel, Davis Polk & Wardwell LLP, provided in the accompanying product supplement, we believe that it is reasonable to treat, and we and you agree 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, which might include 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 unless they have submitted a properly completed IRS Form W-8BEN or otherwise satisfied the applicable documentation requirements.

### 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. 20-A-IV dated April 15, 2010.

- **YOUR INVESTMENT IN THE NOTES MAY RESULT IN A LOSS** — The notes do not guarantee any return of principal. If the notes are not automatically called and the Ending Index Level is less than the Initial Index Level by more than 10%, you will lose 1.1111% of your principal amount for every 1% that the Ending Index Level is less than the Initial Index Level by more than 10%. Accordingly, you could lose some or all of your initial investment at maturity.
- **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 or upon automatic call, 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 affect adversely 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. 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.
- **LIMITED RETURN ON THE NOTES** — Your potential gain on the notes will be limited to the call premium of not less than 14.70%\*, regardless of the appreciation in the Index, which may be significant. Because the Index closing level at various times during the term of the notes could be higher than on the Review Date, you may receive a lower payment at maturity than you would have if you had invested directly in the Index.  
\*The actual call premium will be determined on the pricing date and will not be less than 14.70%.



- **CERTAIN BUILT-IN COSTS ARE LIKELY TO AFFECT ADVERSELY THE VALUE OF THE NOTES PRIOR TO MATURITY** — While the payment upon an automatic call or at maturity described in this term sheet 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, and as a general matter, the price, if any, at which JPMS 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. This secondary market price will also be affected by a number of factors aside from the agent's commission and hedging costs, including those set forth under "Many Economic and Market Factors Will Impact the Value of the Notes" below.  
The notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold the 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 EURO STOXX 50® Index would have.
- **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, 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 or upon automatic call.
- **NON-U.S. SECURITIES RISK** — The equity securities that compose the Index are issued by non-U.S. companies. Investments in securities linked to the value of such non-U.S. equity securities involve risks associated with the securities markets in those countries, including risks of volatility in those markets, governmental intervention in those markets and cross shareholdings in companies in certain countries. Also, there is generally less publicly available information about companies in some of these jurisdictions than about U.S. companies that are subject to the reporting requirements of the SEC, and generally non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements and securities trading rules different from those applicable to U.S. reporting companies. The prices of securities in foreign markets may be affected by political, economic, financial and social factors in those countries, or global regions, including changes in government, economic and fiscal policies and currency exchange laws.
- **LACK OF LIQUIDITY** — The notes will not be listed on any securities exchange. JPMS 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 JPMS 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;
  - a variety of economic, financial, political, regulatory and judicial events; and
  - our creditworthiness, including actual or anticipated downgrades in our credit ratings.

### Hypothetical Examples of Amounts Payable upon Automatic Call or at Maturity

The following table illustrates the hypothetical simple total return (*i.e.*, not compounded) on the notes that could be realized on the Review Date for a range of movements in the Index as shown under the column “Index Level Appreciation/Depreciation at Review Date.” The following table assumes a Call Level equal to a hypothetical Initial Index Level of 2900. The table assumes that the call premium used to calculate the call price applicable to the Review Date is 14.70%, regardless of the appreciation of the Index, which may be significant. **The actual percentage will be determined on the pricing date and will not be less than 14.70%.** There will be only one payment on the notes at maturity whether or not the notes are called. The hypothetical returns set forth below are for illustrative purposes only and may not be the actual total returns applicable to a purchaser of the notes.

Index Closing Level	Index Level Appreciation/Depreciation at Review Date	Total Return at Review Date
5220.00	80.00%	14.70%
4930.00	70.00%	14.70%
4640.00	60.00%	14.70%
4350.00	50.00%	14.70%
4060.00	40.00%	14.70%
3770.00	30.00%	14.70%
3480.00	20.00%	14.70%
3190.00	10.00%	14.70%
3045.00	5.00%	14.70%
2929.00	1.00%	14.70%
<b>2900.00</b>	<b>0.00%</b>	<b>14.70%</b>
2871.00	-1.00%	<b>0.00%</b>
2755.00	-5.00%	<b>0.00%</b>
2610.00	-10.00%	<b>0.00%</b>
2581.00	-11.00%	-1.22%
2320.00	-20.00%	-11.11%
2030.00	-30.00%	-22.22%
1740.00	-40.00%	-33.33%
1450.00	-50.00%	-44.44%
1160.00	-60.00%	-55.56%
870.00	-70.00%	-66.67%
580.00	-80.00%	-77.78%
290.00	-90.00%	-88.89%
0.00	-100.00%	-100.00%

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 2900 to an Index closing level of 3190 on the Review Date.** Because the Index closing level on the Review Date (3190) is greater than the Call Level of 2900, the notes are automatically called, and the investor receives a single payment of \$1,147 per \$1,000 principal amount note.

**Example 2: The level of the Index decreases from the Initial Index Level of 2900 to an Index closing level of 2610 on the Review Date.** Because (a) the Index closing level on the Review Date (2610) is less than the Call Level of 2900 and (b) the Ending Index Level is less than the Initial Index Level by not more than 10%, the notes are not automatically called, and the payment at maturity is the principal amount of \$1,000 per \$1,000 principal amount note.

**Example 3: The level of the Index decreases from the Initial Index Level of 2900 to an Index closing level of 2030 on the Review Date.** Because (a) the Index closing level on the Review Date (2030) is less than the Call Level of 2900 and (b) the Ending Index Level is less than the Initial Index Level by more than 10%, the notes are not automatically called and the investor receives a payment at maturity that is less than the principal amount for each \$1,000 principal amount note, calculated as follows:

$$\$1,000 + [\$1,000 \times (-30\% + 10\%) \times 1.1111] = \$777.78$$

### Historical Information

The following graph sets forth the historical performance of the Index based on the weekly Index closing level from January 6, 2006 through January 7, 2011. The Index closing level on January 12, 2011 was 2879.11. 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 Review Date. We cannot give you assurance that the performance of the Index will result in the return of any of your initial investment.

