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1-26-11



DIVISION OF  
CORPORATION FINANCE

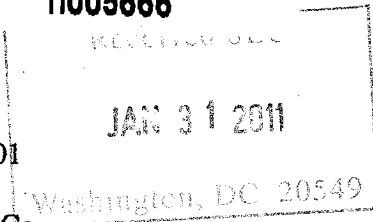
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-4561



11005666

January 31, 2011

Martin P. Dunn  
O'Melveny & Myers LLP  
1625 Eye Street, NW  
Washington, DC 20006-4001



Act: 1934  
Section: \_\_\_\_\_  
Rule: 14a-8  
Public  
Availability: 1-31-11

Re: JPMorgan Chase & Co.

Dear Mr. Dunn:

This is in regard to your letter dated January 26, 2011 concerning the shareholder proposal submitted by the Neighborhood Economic Development Advocacy Project and the Community Reinvestment Association of North Carolina for inclusion in JPMorgan Chase's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the proponents have withdrawn the proposal and that JPMorgan Chase therefore withdraws its January 11, 2011 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Sincerely,

Carmen Moncada-Terry  
Special Counsel

cc: Josh Zinner  
Co-Director, NEDAP  
Neighborhood Economic Development Advocacy Project  
176 Grand Street, Suite 300  
New York, NY 10013



O'MELVENY & MYERS LLP

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1934 Act/Rule 14a-8

January 26, 2011

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: JPMorgan Chase & Co.  
Shareholder Proposal of NEDAP and CRA-NC  
Securities Exchange Act of 1934 Rule 14a-8

Dear Ladies and Gentlemen:

We submit this letter on behalf of our client JPMorgan Chase & Co. (the "*Company*"), which hereby withdraws its request dated January 11, 2011, for no-action relief regarding its intention to omit the shareholder proposal and supporting statement submitted by the Neighborhood Economic Development Advocacy Project and the Community Reinvestment Association of North Carolina (the "*Co-Proponents*") from the Company's proxy materials for its 2011 Annual Meeting of Shareholders. The Co-Proponents have withdrawn their proposal in a letter dated January 25, 2011, attached hereto as Exhibit A.

If you have any questions or would like any additional information regarding the foregoing, please do not hesitate to contact me at 202-383-5418.

Sincerely,

Martin P. Dunn  
of O'Melveny & Myers LLP

Attachments

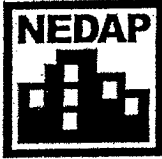
O'MELVENY & MYERS LLP  
Securities and Exchange Commission -- January 26, 2011  
Page 2

cc: Josh Zinner  
Co-Director  
Neighborhood Economic Development Advocacy Project

Anthony Horan, Esq.  
Corporate Secretary  
JPMorgan Chase & Co.

*Shareholder Proposal of NEDAP and CRA-NC  
JPMorgan Chase & Co.  
Securities Exchange Act of 1934 Rule 14a-8*

**EXHIBIT A**



## Neighborhood Economic Development Advocacy Project

176 Grand Street, Suite 300, New York, NY 10013  
Tel: (212) 680-5100 Fax: (212) 680-5104  
www.nedap.org


January 25, 2011

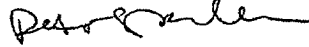
Mr. Anthony Horan  
Corporate Secretary  
JP Morgan Chase & Co  
270 Park Avenue  
New York, NY 10017

Dear Mr. Horan:

The Neighborhood Economic Development Advocacy Project (NEDAP) and the Community Reinvestment Association of North Carolina (CRA-NC) withdraw our shareholder proposal submitted on November 30, 2010 because it is similar to the prior proposal submitted by the Comptroller of the City of New York. We fully support the proposal filed by the Comptroller of the City of New York, and we look forward to discussing with JPMorgan Chase our concerns about the company's mortgage servicing practices.

Sincerely,

  
Josh Zinner,  
Co-Director, NEDAP

  
Peter Skillern,  
Executive Director, CRA-NC



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1934 Act/Rule 14a-8

January 24, 2011

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: JPMorgan Chase & Co.  
Shareholder Proposal of the Neighborhood Economic Development Advocacy Project  
Securities Exchange Act of 1934 Rule 14a-8

Dear Ladies and Gentlemen:

We submit this letter on behalf of our client JPMorgan Chase & Co. (the "*Company*"), as a supplement to our letter dated January 11, 2011 (the "*Original No-Action Letter*"), pursuant to which the Company requested that the Staff of the Division of Corporation Finance (the "*Staff*") of the Securities and Exchange Commission concur with the Company's view that the shareholder proposal and supporting statement (together, the "*NEDAP Proposal*"), submitted by the Neighborhood Economic Development Advocacy Project<sup>1</sup> (collectively with a co-filer, "*NEDAP*") may be excluded from the Company's proxy materials for its 2011 Annual Meeting of Shareholders (the "*2011 Proxy Materials*"). The Original No-Action Letter made a request for no action relief pursuant to Rule 14a-8(i)(11), among other bases, as a result of the NEDAP Proposal being substantially duplicative of the proposals and supporting statements previously submitted by each of (i) the Board of Pensions of the Presbyterian Church (USA)<sup>2</sup> (with co-

<sup>1</sup> The Community Reinvestment Association of North Carolina is a co-filer of the NEDAP Proposal and has indicated that the Neighborhood Economic Development Advocacy Project should serve as primary contact.

<sup>2</sup> Walden Asset Management, Catholic Healthcare West, Haymarket People's Fund, Mercy Investment Services, Benedictine Convent of Perpetual Adoration, the Funding Exchange, Calvert Asset Management, and the Board of Pensions of the Evangelical Lutheran Church in America have indicated that they wish to serve as co-filers, with the Board of Pensions of the Presbyterian Church (USA) serving as primary contact.

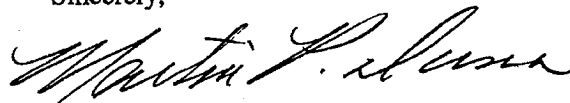
filers, collectively "**PCUSA**"), (ii) the AFL-CIO Reserve Fund (the "**AFL-CIO**"), and (iii) the Comptroller of the City of New York<sup>3</sup> (the "**Comptroller**").

As indicated in the AFL-CIO's letter dated January 20, 2011, attached hereto as Exhibit A, the AFL-CIO has withdrawn its proposal and supporting statement (together, the "**AFL-CIO Proposal**"). Accordingly, the Company hereby withdraws its request for no-action relief pursuant to Rule 14a-8(i)(11) solely as it relates to the AFL-CIO Proposal.

The Company continues to request that the Staff concur with its view that the NEDAP Proposal may be properly excluded from its 2011 Proxy Materials pursuant to Rule 14a-8(f), as NEDAP failed to reduce the NEDAP Proposal to a single proposal within 14 days of receiving notice of such defect from the Company, Rule 14a-8(i)(7), as dealing with matters relating to the Company's ordinary business operations, and Rule 14a-8(i)(11), as being substantially duplicative of each of the proposals and supporting statements submitted by PCUSA and the Comptroller, respectively.

If you have any questions or would like any additional information regarding the foregoing, please do not hesitate to contact me at 202-383-5418.

Sincerely,



Martin P. Dunn  
of O'Melveny & Myers LLP

Attachments

cc: Josh Zinner  
Co-Director  
Neighborhood Economic Development Advocacy Project

Anthony Horan, Esq.  
Corporate Secretary  
JPMorgan Chase & Co.

---

<sup>3</sup> In submitting its proposal, the Comptroller of the City of New York was acting in his role as custodian and trustee of the New York City Employees' Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers' Retirement System, and the New York City Police Pension Fund, and in his role as custodian of the new York City Board of Education Retirement System.

*Shareholder Proposal of NEDAP  
JPMorgan Chase & Co.  
Securities Exchange Act of 1934 Rule 14a-8*

**EXHIBIT A**





# Facsimile Transmittal

Date: January 20, 2011

To: Anthony J. Horan, JP Morgan Chase

Fax: 212-270-4240

From: Daniel F. Pedrotty, Office of Investment, AFL-CIO

Pages: 2 (including cover page)

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AFL-CIO Office of Investment  
815 16th Street, NW  
Washington, DC 20006  
Phone: (202) 637-3900  
Fax: (202) 508-6992  
[invest@afcio.org](mailto:invest@afcio.org)

# American Federation of Labor and Congress of Industrial Organizations



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## EXECUTIVE COUNCIL

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Capt. John Prater  
Fred Redmond  
Fredric V. Rokando  
Newlon B. Jones  
DoMaurice F. Smith  
James Boland  
Lee A. Saunders

January 20, 2011

*Sent by Facsimile and U.S. Mail*

Anthony J. Horan  
Corporate Secretary  
JPMorgan Chase & Co.  
270 Park Avenue  
New York, New York 10017-2070

Dear Mr. Horan,

On behalf of the AFL-CIO Reserve Fund, I write to withdraw our previously submitted shareholder proposal recommending that JPMorgan Chase prepare a report on its internal controls over its mortgage servicing operations. We look forward to discussing our concerns regarding the foreclosure crisis with JPMorgan Chase.

If you have any questions, please contact Brandon Rees at 202-637-5152.

Sincerely,

Daniel F. Pedrotty  
Director  
Office of Investment

DFP/sdw  
opeiu #2, afl-cio



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1934 Act/Rule 14a-8

January 11, 2011

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel  
Division of Corporation Finance  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Re: JPMorgan Chase & Co.  
Shareholder Proposal of the Neighborhood Economic Development Advocacy Project  
Securities Exchange Act of 1934 Rule 14a-8

Dear Ladies and Gentlemen:

We submit this letter on behalf of our client JPMorgan Chase & Co., a Delaware corporation (the "**Company**"), which requests confirmation that the staff (the "**Staff**") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**Commission**") will not recommend enforcement action to the Commission if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934 (the "**Exchange Act**"), the Company omits the enclosed shareholder proposal (the "**Proposal**") and supporting statement (the "**Supporting Statement**") submitted by the Neighborhood Economic Development Advocacy Project<sup>1</sup> (with the co-filer, the "**Proponent**") from the Company's proxy materials for its 2011 Annual Meeting of Shareholders (the "**2011 Proxy Materials**").

Pursuant to Rule 14a-8(j) under the Exchange Act, we have:

- filed this letter with the Commission no later than eighty (80) calendar days before the Company intends to file its definitive 2010 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponent.

A copy of the Proposal and Supporting Statement, the Proponent's cover letter submitting the Proposal, and other correspondence relating to the Proposal are attached hereto as Exhibit A.

<sup>1</sup> The Community Reinvestment Association of North Carolina is a co-filer of the Proposal and has indicated that the Neighborhood Economic Development Advocacy Project should serve as primary contact.

## ***I. SUMMARY OF THE PROPOSAL***

The Proponent submitted the Proposal for inclusion in the Company's 2011 Proxy Materials. The Proposal requests that the Company's Board of Directors publish a report by September 2011 on "JPMorgan Chase's response to mortgage delinquencies and defaults for loans that it services, including: home preservation rates for 2008-2010, with data detailing loss mitigation outcomes for black, Latino, Asian, and white mortgage borrowers; and policies and procedures JPMorgan Chase follows to ensure that it does not wrongfully foreclose and that affidavits and other documents submitted to the courts in foreclosure actions are accurate and legally sufficient."

## ***II. BACKGROUND***

The Company is a global financial services firm that specializes in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity. In the ordinary course of business, the Company services approximately 8.59 million home loans -- of which 5.84 million home loans are serviced for others (such as government-sponsored enterprises, the Federal Housing Administration, and private investors) and 2.57 million home loans are owned by the Company (of which 2.1 million are Home Equity loans). As a servicer of home loans and, more specifically of home mortgages, the Company is responsible for the day-to-day management of a mortgage loan account and as such:

- collects, allocates (escrow, principal, interest), and credits the borrower's payments;
- maintains the escrow account and makes tax and insurance payments from that account on behalf of the borrower;
- provides statements to the borrower regarding payments and other mortgage-related activity;
- responds to the borrower's inquiries about his/her account;
- may obtain property insurance on behalf of the borrower if the borrower is not already adequately insured;
- may arrange for certain default-related services to protect the value of a property that is in default;
- initiates foreclosure proceedings and manages the foreclosure process to completion; and
- explores loss mitigation options with borrowers, including loan modification, short sales and deeds in lieu of foreclosure.<sup>2</sup>

As noted above, the responsibilities of a mortgage servicer, such as the Company, include working with borrowers that become delinquent in their payments by exploring loss mitigation

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<sup>2</sup> For more information on the responsibilities of a mortgage servicer, see <http://www.ftc.gov/bcp/edu/pubs/consumer/homes/rea10.shtm>.

options such as loan modification, refinancing, deeds in lieu and short sales. In fact, since 2009, the Company has handled over 32.3 million inbound calls to its call centers from homeowners seeking foreclosure prevention assistance, including 5.3 million calls to the Company's dedicated customer hotline for modification inquiries. The Company has offered over 1 million modifications to struggling homeowners through various modification programs and converted 275,152 of these offers into permanent modifications since the beginning of 2009. Finally, when mortgage modification or other loss mitigation options are determined to be unavailable, a mortgage servicer is also responsible for initiating and managing foreclosure proceedings.

### **III. EXCLUSION OF THE PROPOSAL**

#### **A. Bases for Exclusion of the Proposal**

As discussed more fully below, the Company believes that it may properly omit the Proposal from its 2011 Proxy Materials in reliance on the following paragraphs of Rule 14a-8:

- Rule 14a-8(f), as the Proponent failed to reduce its Proposal to a single proposal within 14 days of receiving notice of such defect from the Company;
- Rule 14a-8(i)(7), as the Proposal deals with matters relating to the Company's ordinary business operations; and
- Rule 14a-8(i)(11), as the Proposal substantially duplicates proposals previously submitted to the Company by other shareholders that will be included in the 2011 Proxy Materials.

#### **B. The Proposal May Be Excluded in Reliance on Rule 14a-8(f), as the Proposal Fails to Comply with the One-Proposal Limitation of Rule 14a-8(c)**

Rule 14a-8(c) states that a shareholder may submit no more than one proposal to a company for a particular shareholders' meeting. It is our view that this Proposal relates to two distinct elements that do not relate to a single, unifying concept -- rendering the Proposal two separate proposals. Specifically, the Proposal seeks a report on:

- (i) the Company's response to mortgage delinquencies and defaults for loans that it services, including certain information regarding home preservation rates and loss mitigation data; and
- (ii) the Company's policies and procedures to ensure that it does not wrongfully foreclose and that affidavits and other documents submitted to the courts in foreclosure actions are accurate and legally sufficient.

Rule 14a-8(f) requires that a company seeking to exclude a proposal for failing to comply with the one-proposal procedural limitation of Rule 14a-8(c) to notify the proponent of that deficiency within 14 days of receipt of the proposal. The Company received the original version of the Proposal (the "**Original Proposal**") on November 30, 2010. See Exhibit B. On December

13, 2008, the Company notified the Proponent via overnight delivery by Federal Express of the Proposal's failure to comply with the one-proposal limitation of Rule 14a-8(c). *See* Exhibit C.

The notice provided a description of the one-proposal limitation of Rule 14a-8(c) and stated: "In this regard, your submission appears to include more than one distinct proposal. As such, your proposal is required by Rule 14a-8 to be reduced to a single proposal to be considered for inclusion in the Company's proxy materials." The notice indicated that a revised submission meeting the one-proposal requirement was required to be postmarked or submitted electronically no later than 14 days from the date on which the notice was received in order to be eligible for inclusion in the Company's proxy materials and a copy of Rule 14a-8 was attached to the notice.

Rule 14a-8(f) provides an opportunity for a proponent who submits more than one proposal to reduce the number of proposals the proponent submitted within 14 calendar days of when the company notifies the proponent of the limitation. However, if the proponent does not reduce the number of proposals in response to the company's request, the Staff will permit the company to omit all proposals submitted by the proponent. *See Pfizer Inc.* (February 19, 2007) (concurring that a proposal with multiple elements relating to the election to the board of directors could be omitted in reliance on Rule 14a-8(c)) and *General Motors Corporation* (April 7, 2007) (concurring that a proposal seeking shareholder approval for numerous transactions to restructure the company could be omitted in reliance on Rule 14a-8(c)).

In response to the Company's notice of deficiency that the Proposal was in fact two distinct proposals, the Proponent revised the Proposal in the following manner:

RESOLVED:

Shareholders request that the Board of Directors publish a special report to shareholders, ~~at reasonable expense and omitting proprietary information~~, by September 2011, at reasonable expense and omitting proprietary information, on:

1. ~~JPMorgan Chase's residential mortgage loss mitigation policies and outcomes~~ response to mortgage delinquencies and defaults for loans that it services, including: home preservation rates for 2008-2010, with data detailing loss mitigation outcomes for black, Latino, Asian, and white mortgage borrowers; and
2. ~~What policies and procedures JPMorgan Chase has put in place~~ follows to ensure that it does not wrongfully foreclose ~~on any residential property in judicial or non-judicial foreclosure states~~, and that affidavits and other documents submitted to the courts in foreclosure actions are accurate and legally sufficient.

The Staff has concurred with the view that a proposal containing multiple elements that relate to more than one concept may be excluded under Rule 14-8(c). *See American Electric Power* (January 2, 2001) (reconsideration denied January 31, 2001). However, a proposal containing multiple elements that relate to a single, unifying concept does not run afoul of the one-proposal limitation of Rule 14a-8(c). *See United Parcel Service, Inc.* (February 20, 2007). The Company

believes that the revisions made to the Proposal in response to the Company's notice were not sufficient to reduce the subject matter of the Proposal to a single, unifying concept; but, in fact, the Proposal relates to two distinct concepts -- data regarding loss mitigation outcomes and compliance with the law in foreclosure actions.

The Supporting Statement discusses two distinct aspects of the "foreclosure crisis." First, it discusses borrowers at risk of losing their homes and the disproportionate impact of foreclosures on certain minority groups. Second, the Supporting Statement references certain alleged "abuses" in foreclosure filings and discusses the potential legal and reputational risks that could adversely impact the Company's stock price and ability to pay shareholder dividends, if such allegations are true. In *Exxon Mobil Corporation* (March 19, 2002), the Staff concurred with the view that a proposal seeking the inclusion of a slate of nominees larger than the available board seats by a reasonable number and that such additional nominees come from individuals with experience from a variety of shareholder groups (e.g., employees, communities, customers, etc.) could be omitted in reliance on Rule 14a-8(c), as relating to the submission of more than one proposal. In that letter, the proponents appeared to intend the proposal to relate to diversification of the board of directors, but the proposal submitted addressed two distinct concepts -- the number of board nominees and director qualifications. Similarly, regardless of the Proponent's intent, the Proposal focuses on BOTH loss mitigation outcomes (including data on borrowers grouped by race) and legal compliance in its foreclosure actions.

Because the Proposal contains multiple elements that relate to more than one concept and the Proponent failed to revise the Proposals to comply with the one-proposal limitation in Rule 14a-8(c) within fourteen days of notification of such deficiency, the Proposal may properly be omitted in reliance on Rule 14a-8(c).

**C. *The Proposal May Be Excluded in Reliance on Rule 14a-8(i)(7), as it Deals With Matters Relating to the Company's Ordinary Business Operations***

A company is permitted to omit a shareholder proposal from its proxy materials under Rule 14a-8(i)(7) if the proposal deals with a matter relating to the company's ordinary business operations. In Commission Release No. 34-40018 (May 21, 1998) (the "**1998 Release**"), the Commission stated that the underlying policy of the "ordinary business" exception is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting." The Commission further stated in the 1998 Release that this general policy rests on two central considerations. The first is that "[c]ertain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second consideration relates to "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." The fact that a proposal seeks a report from a company's board of directors (instead of a direct action) is immaterial to these determinations -- a shareholder proposal that calls on the board of directors to issue a report to shareholders is excludable under Rule

14a-8(i)(7) as relating to an ordinary business matter if the subject matter of the report relates to the company's ordinary business operations. *See Release No. 34-20091* (August 16, 1983). Importantly, with regard to the first basis for the "ordinary business" matters exception, the Commission also stated that "proposals relating to such matters but focusing on sufficiently significant social policy issues (e.g., significant discrimination matters) generally would not be considered to be excludable, because the proposals would transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote."

As described below, the Proposal clearly relates to the Company's ordinary business operations as it addresses the products and services offered by the Company, ongoing litigation involving the Company, and the Company's general legal compliance program.

***1. The Proposal addresses fundamental management decisions regarding the products and services offered by the Company***

As discussed above, the Company is a global financial services firm that provides a wide range of products and services to its customers in the ordinary course of business. As such, the Proposal relates to the Company's ordinary business operations because it requests a report regarding the Company's loss mitigation outcomes for loans it services and the legal compliance of its foreclosure practices. In this regard, the Company has offered over 1 million mortgage modifications to struggling homeowners and has converted 275,152 such modifications into permanent modifications since the beginning of 2009 through the U.S. Treasury's Making Home Affordable programs, including the Home Affordable Modification Program ("**HAMP**") and the Second Lien Modification Program, and the Company's other loss-mitigation programs.<sup>3</sup> The Company's decisions as to whom and whether to offer a particular loan, a loan modification, or other loan services and the manner in which the Company enforces remedies attendant to its products and services are precisely the kind of fundamental, day-to-day operational matters meant to be covered by the ordinary business operations exception under Rule 14a-8(i)(7).

The Staff has previously concurred that proposals relating to credit policies, loan underwriting, and customer relations relate to the ordinary business operations of a financial institution and, as such, may be omitted under Rule 14a-8(i)(7). For example, in *BankAmerica Corp.* (February 18, 1977), the Staff noted that "the procedures applicable to the making of particular categories of loans, the factors to be taken into account by lending officers in making such loans, and the terms and conditions to be included in certain loan agreements are matters directly related to the conduct of one of the [c]ompany's principal businesses and part of its everyday business operations." *See also, e.g., JPMorgan Chase & Co.* (March 16, 2010) (concurring in the omission of a proposal requesting cessation of the issuance of refund anticipation loans in reliance on Rule 14a-8(i)(7) because "proposals concerning the sale of particular services are generally excludable under [R]ule 14a-8(i)(7)"); *Bank of America Corp.*

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<sup>3</sup> *See also* the Company's Quarterly Report on Form 10-Q for the fiscal period ending September 30, 2010, at page 91, for information on mortgage modification activities as of that date, available at: <http://www.sec.gov/Archives/edgar/data/19617/000095012310102689/v86142c10vq.htm>.



(February 27, 2008) (concurring in the omission of a proposal requesting a report disclosing the company's policies and practices regarding the issuance of credit cards in reliance on Rule 14a-8(i)(7) because it related to "credit policies, loan underwriting and customer relations"); *Cash America International, Inc.* (March 5, 2007) (concurring in the omission of a proposal that requested the appointment of a committee to develop a suitability standard for the company's loan products, to determine whether loans were consistent with the borrowers' ability to repay, and to assess the reasonableness of collection procedures in reliance on Rule 14a-8(i)(7) because it related to "credit policies, loan underwriting and customer relations"); *H&R Block, Inc.* (August 1, 2006) (concurring in the omission of a proposal requesting cessation of the issuance of refund anticipation loans in reliance on Rule 14a-8(i)(7) because it related to "credit policies, loan underwriting, and customer relations"); *Wells Fargo & Co.* (February 16, 2006) (concurring in the omission of a proposal that requested a policy that the company would not provide credit or banking services to lenders engaged in payday lending in reliance on Rule 14a-8(i)(7) because it related to "credit policies, loan underwriting and customer relations").

As in those prior situations in which the Staff has expressed the view that a company may omit a proposal in reliance on Rule 14a-8(i)(7), the Proposal's subject matter is the terms of and procedures regarding the Company's products and services -- in this case, the Company's decisions regarding to whom and when to extend credit under modified terms and when to cease extending such credit. The Company's policies regarding how to work with a borrower in arrears on a mortgage, what products and services to offer such a borrower, and when and how to proceed in a foreclosure all represent the fundamental day-to-day business decisions of a financial institution regarding what products and services to make available to its customers. Given the Proposal's focus on the Company's products and services, the Proposal may properly be omitted in reliance on Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

Just as the Proposal seeks information regarding the Company's basic business decisions, three nearly-identical proposals were received by the companies in *JPMorgan Chase & Co.* (February 26, 2007), *Bank of America Corp.* (February 21, 2007), and *Citigroup Inc.* (February 21, 2007) requesting a report on policies against the provision of services that enabled capital flight and resulted in tax avoidance. In its no-action request regarding the shareholder proposal, Citigroup expressed its view that "policies governing whether Citigroup will engage in any particular financial service for our clients are formulated and implemented in the ordinary course of the Company's business operations" and requested exclusion of the proposal because it "usurps management's authority by allowing stockholders to manage the banking and financial relationships that the Company has with its customers." The Staff concurred with the views of each of these three companies that the proposals could be omitted in reliance on Rule 14a-8(i)(7) as related to ordinary business operations (i.e., the sale of particular services). As in these situations, the Proposal seeks disclosure of the Company's policies for and decisions regarding "mortgage delinquencies and defaults for loans it services." Such issues relate directly to the products and services the Company makes available to its customers as a mortgage servicer and, therefore, the Proposal may properly be omitted in reliance on Rule 14a-8(i)(7) as related to the Company's ordinary business decisions regarding sale of its products and services.

Because the Proposal seeks to influence the Company's lending and servicing practices and the policies regarding such practices -- quintessential ordinary business matters for financial institutions -- the Proposal may properly be omitted in reliance on Rule 14a-8(i)(7).

## 2. *The Proposal relates to ongoing litigation involving the Company*

State and federal officials have announced investigations into the procedures followed by mortgage servicing companies and banks, including the Company, relating to residential foreclosures. Additionally, there have been numerous putative class action lawsuits filed against the Company and its mortgage loan subsidiaries asserting claims related to the Company's loan modification and foreclosure practices. Through a variety of theories, these pending actions broadly challenge, among other things, the Company's practices, compliance, or performance under HAMP and other loan modification programs, as well as its practices, procedures and compliance with law in executing documents in connection with foreclosure actions.<sup>4</sup>

The Staff has consistently agreed that a shareholder proposal may be omitted in reliance on Rule 14a-8(i)(7) when the subject matter of the proposal is the same as or similar to that which is at the heart of litigation in which a registrant is then involved. *See, e.g., AT&T Inc.* (February 9, 2007) (concurring in the omission of a proposal that the company report on disclosure of customer communications to specified government agencies in reliance on Rule 14a-8(i)(7) because it related to ordinary "litigation strategy"); *Reynolds American Inc.* (February 10, 2006) (concurring in the omission of a proposal to notify African Americans of the purported health hazards unique to that community that were associated with smoking menthol cigarettes in reliance on Rule 14a-8(i)(7) because it related to "litigation strategy"); *R. J. Reynolds Tobacco Holdings, Inc.* (February 6, 2004) (concurring in the omission of a proposal requiring company to stop using the terms "light," "ultralight" and "mild" until shareholders can be assured through independent research that such brands reduce the risk of smoking-related diseases in reliance on Rule 14a-8(i)(7) because it related to "litigation strategy"); *R. J. Reynolds Tobacco Holdings, Inc.* (March 6, 2003) (concurring in the omission of a proposal requiring the company to establish a committee of independent directors to determine the company's involvement in cigarette smuggling in reliance on Rule 14a-8(i)(7) because it related to "litigation strategy").

The Proposal focuses directly on the Company's response to mortgage delinquencies and defaults for loans that it services -- a central subject of the pending legal proceedings referenced above. Specifically, through a variety of theories, these pending actions broadly challenge, among other things, the Company's practices, compliance, or performance under HAMP and other loan modification programs, as well as its practices, procedures and compliance with law in

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<sup>4</sup> *See, e.g., Durmic v. J.P. Morgan Chase Bank, NA*, No. 10-cv-10380-RGS (D. Mass.); *Morales v. Chase Home Finance LLC, et al.*, No. 10-cv-02068-JSW (N.D. Cal.); *Salinas v. Chase Home Finance LLC*, No. CV10-09602 (C.D. Cal.); and *Deutsch v. JPMorgan Chase Bank, N.A.*, No. 08CH4035 (Ill. Cir. Ct). Attached as Exhibit D are initial complaints for the *Durmic v. JPMorgan Chase* and *Deutsch v. JPMorgan Chase* matters referenced above.

executing documents in connection with foreclosure actions. As such, the subject matter of the Proposal -- the Company's handling of delinquent borrowers and mortgages in default and foreclosure practices -- is the same as that of the Company's pending litigation and inclusion of the Proposal in the 2011 Proxy Materials would interfere with the Company's ability to determine the proper litigation strategy with regard to those pending litigation matters.

The Staff has consistently agreed that proposals related to a company's decision to institute or defend itself against legal actions, and decisions on how it will conduct those legal actions, are matters relating to its ordinary business operations and within the exclusive prerogative of management. *See, e.g., Merck & Co., Inc.* (February 3, 2009) (concurring in the omission of a proposal that the company take certain legal actions in pending litigation in reliance on Rule 14a-8(i)(7) because it related to "litigation strategy"); *CMS Energy Corporation* (February 23, 2004) (concurring in the omission of a proposal requiring the company to initiate legal action to recover compensation paid to former members of management in reliance on Rule 14a-8(i)(7) because it related to "the conduct of litigation"); *NetCurrents, Inc.* (May 8, 2001) (concurring in the omission of a proposal requiring the company to bring an action against certain persons in reliance on Rule 14a-8(i)(7) because it related to "litigation strategy and related decisions"). Similarly, publishing the report requested by the Proposal on the Company's response to mortgage delinquencies and defaults for loans that it services, would require the Company to disclose the same information that the Company expects plaintiffs to seek in the discovery process of the aforementioned legal proceedings and would interfere with management's ability to determine the best manner in which to approach the ordinary business function of implementing a litigation strategy.

Because the Proposal focuses directly on issues that are the subject matter of multiple lawsuits involving the Company and would improperly interfere with the Company's litigation strategy in those matters, the Proposal may be properly omitted in reliance on Rule 14a-8(i)(7).

**3. *The Proposal would interfere with the Company's general legal compliance program***

The Proposal requests that the Board of Directors report on the Company's policies and procedures "to ensure that [the Company] does not wrongly foreclose on any residential property . . . and that affidavits and other documents that [the Company] submits to the courts in foreclosure actions are accurate and legally sufficient." The Supporting Statement further expresses concerns about the mortgage servicers providing poor customer service to distressed borrowers (potentially hindering modification efforts) and references investigations by state bank and mortgage regulators into "abuses in mortgage servicers' foreclosure filings" to determine whether "servicers have violated state law."

As a global financial services firm, the Company is subject to myriad international, federal, and state laws and regulations. As part of its ordinary day-to-day business, the Company has established mechanisms to monitor its compliance with its legal requirements and to determine whether there is any need for an investigation into a particular matter. In fact, the

Company is actively cooperating with investigations instituted by state and federal officials into the procedures followed by mortgage servicing companies and banks, including the Company and its affiliates, relating to foreclosures.<sup>5</sup> The Proposal's focus on the Company's policies and procedures for ensuring legal compliance with foreclosure requirements impermissibly interferes with the discretion of Company's management in this highly complex business area.

The Staff has taken the position that a proposal presenting very similar issues to the Proposal could be omitted in *H.R. Block, Inc.* (June 26, 2006) ("**H.R. Block, Inc.**"). In *H.R. Block, Inc.*, the company expressed its view that a proposal seeking to establish a special committee of independent directors to review the company's sales practices after allegations of fraudulent marketing by New York State Attorney General Elliot Spitzer related to the company's ordinary business operations. In particular, H&R Block argued that "the examination of company practices for compliance with various regulatory requirements should properly be left to the discretion of the company's management and board of directors." Similarly, the Proposal seeks to address the Company's compliance with legal requirements for "affidavits and other documents" as well as the sufficiency of the Company's policies and procedures for ensuring proper foreclosures.

Omission of the Proposal is further supported by a long line of precedent recognizing that proposals addressing a company's compliance with state and federal laws and regulations relate to ordinary business matters. *See, e.g., Yum! Brands, Inc.* (March 5, 2010) (concurring in the omission of a proposal seeking management verification of the employment legitimacy of all employees in reliance on Rule 14a-8(i)(7) because it concerned the company's legal compliance program); *Johnson & Johnson* (February 22, 2010) (concurring in the omission of a proposal seeking management verification of the employment legitimacy of all employees in reliance on Rule 14a-8(i)(7) because it concerned the company's legal compliance program); *FedEx Corporation* (July 14, 2009) (concurring in the omission of a proposal seeking establishment of a committee to prepare a report on the company's compliance with state and federal laws governing proper classification of employees and independent contractors in reliance on Rule 14a-8(i)(7) because it concerned the company's general legal compliance program); *The AES Corporation* (March 13, 2008) (concurring in the omission of a proposal seeking an independent investigation of management's involvement in the falsification of environmental reports in reliance on Rule 14a-8(i)(7) because it concerned the company's general conduct of a legal compliance program); *Lowe's Companies, Inc.* (March 12, 2008) (concurring in the omission of a proposal seeking establishment of a committee to prepare a report on the company's compliance with state and federal laws governing proper classification of employees and independent contractors in reliance on Rule 14a-8(i)(7) because it concerned the company's general legal compliance program); *Coca-Cola Company* (January 9, 2008) (concurring in the omission of a proposal seeking adoption of a policy to publish an annual report on the comparison of laboratory tests of the company's product against national laws and the company's global quality standards in reliance on Rule 14a-8(i)(7) because it concerned the

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<sup>5</sup> *See* the Company's Quarterly Report on Form 10-Q for the fiscal period ending September 30, 2010, at page 192.

company's general conduct of a legal compliance program); *Verizon Communications Inc.* (January 7, 2008) (concurring in the omission of a proposal seeking adoption of policies to ensure that the company did not engage in illegal trespass actions and to prepare a report on the company policies for handling such incidents in reliance on Rule 14a-8(i)(7) because it concerned the company's general legal compliance program); *The AES Corporation* (January 9, 2007) (concurring in the omission of a proposal seeking establishment of a committee to monitor the company's compliance with applicable laws, rules, and regulations of the federal, state, and local governments, and the company's Code of Business Conduct and Ethics in reliance on Rule 14a-8(i)(7) because it concerned the company's general conduct of a legal compliance program); *H.R. Block, Inc.* (discussed above); *ConocoPhillips* (February 23, 2006) (concurring in the omission of a proposal seeking a board report on potential legal liabilities arising from alleged omissions from the company's prospectus in reliance on Rule 14a-8(i)(7) because it concerned the company's general legal compliance program).

Because the Proposal seeks to impact the Company's implementation of its legal compliance program, the Proposal may be properly omitted under Rule 14a-8(i)(7).

**4. *The Proposal's focus on ordinary business matters is not overridden by a significant policy concern***

Neither the Proposal nor the Supporting Statement characterizes any of the circumstances discussed therein as a significant policy issue for the purpose of Rule 14a-8. The Supporting Statement observes that "[t]he foreclosure crisis has disproportionately affected black and Latino mortgage borrowers" and that "[t]he concentration of foreclosed properties, especially in predominately black and Latino communities, reduces the value of nearby properties" in an attempt to cast the Proposal as raising a significant policy concern. However, the Proposal does not identify or address discriminatory lending or servicing practices, but instead focuses on the Company's ordinary business decisions regarding mortgage servicing. The Proposal neither asserts a causal link between media reports on the disproportionate impact of the general economic recession on the black and Latino communities and the Company's own practices nor addresses any alleged discriminatory lending practice or other recognized significant policy issue. Furthermore, the Staff has not determined that foreclosure practices, loan modification practices, or the recent economic recession are (individually or collectively) a significant policy issue for purposes of Rule 14a-8.

Even if the Staff were to recognize the economic recession, loan servicing or mortgage modification or foreclosure practices as a significant policy concern, the Staff has expressed the view that proposals relating to both ordinary business matters and significant social policy issues may be excluded in their entirety in reliance on Rule 14a-8(i)(7). See *JPMorgan Chase & Co.* (February 25, 2010) (concurring in the exclusion of a proposal relating to compensation that may be paid to employees and senior executive officers and directors in reliance on Rule 14a-8(i)(7) because it concerned general employee compensation matters); *General Electric Company* (February 3, 2005) (concurring in the exclusion of a proposal intended to address "offshoring" and requesting a statement relating to any planned job cuts or offshore relocation activities in

reliance on Rule 14a-8(i)(7) because it related to GE's ordinary business operations (*i.e.*, management of the workforce)); *Wal-Mart Stores, Inc.* (March 15, 1999) (concurring in the exclusion of a proposal requesting a report on Wal-Mart's actions to ensure it does not purchase from suppliers who manufacture items using forced labor, convict labor, child labor or who fail to comply with laws protecting employees' rights in reliance on Rule 14a-8(i)(7) because "paragraph 3 of the description of matters to be included in the report relates to ordinary business operations"). *See also, General Electric Company* (Feb. 10, 2000) (concurring in the exclusion of a proposal relating to the discontinuation of an accounting method and use of funds related to an executive compensation program in reliance on Rule 14a-8(i)(7) as dealing with both the significant policy issue of senior executive compensation and the ordinary business matter of choice of accounting method).

Indeed, the Proposal focuses directly on a number of the Company's ordinary business matters. The Proposal seeks information on the Company's "response to mortgage delinquencies and defaults for loans that it services." However, as discussed above, the Company's decisions about to whom to extend a loan, criteria or considerations regarding modification of a loan, and when to foreclose a loan is a complex process often driven by the particular facts and circumstances of each individual loan-holder and fundamentally involves a business -- and not a policy -- determination.

The Proposal also requests disclosure of the Company's policies and procedures "to ensure that it does not wrongly foreclose" and to ensure that the affidavits and other documents the Company files with courts "are accurate and legally sufficient." As discussed above, the Company's policies and procedures to ensure that it has followed all legal and internal requirements to initiate foreclosure proceedings and properly proceeds with such foreclosure action are part of its legal compliance program -- they do not represent any particular policy but are simply the Company's day-to-day practice of ensuring compliance with its legal and other contractual and regulatory obligations. The manner in which the Company complies with its legal obligations is an ordinary business matter consistently recognized by the Staff as a basis for exclusion of proposals under Rule 14a-8(i)(7). Compliance with applicable laws and regulations is part of the Company's corporate culture -- the Company has policies of non-discrimination, workplace safety, and internal controls over financial reporting permeating all its operations to ensure compliance on a day-to-day basis with all laws and regulations applicable the Company. The Company's compliance with a particular set of laws or regulations has previously and should continue to be considered an ordinary business matter, to do otherwise would elevate to a significant policy consideration the compliance with one particular law over another.

The Proposal addresses the Company's day-to-day determinations regarding the offering of particular products and services, ongoing litigation and the compliance with its legal obligations. Because the Proposal is focused, at least in part, on these ordinary business matters, it may be properly omitted from the Company's 2011 Proxy Materials in reliance on Rule 14a-8(i)(7).

## 5. Conclusion

Based on the foregoing analysis, the Company believes that it may properly omit the Proposal and Supporting Statement from its 2011 Proxy Materials in reliance on Rule 14a-8(i)(7).

**C. *The Proposal May Be Excluded in Reliance on Rule 14a-8(i)(11), as it Substantially Duplicates Proposals Previously Submitted to the Company That Will Be Included in the 2011 Proxy Materials***

Rule 14a-8(i)(11) allows a company to exclude a shareholder proposal from its proxy materials if “the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company’s proxy materials for the same meeting.” The Commission has stated that the exclusion provided for by Rule 14a-8(i)(11) (and its predecessor, Rule 14a-8(c)(11)) was intended to “eliminate the possibility of shareholders having to consider two or more substantially identical proposals submitted to an issuer by proponents acting independently of each other.” *See Exchange Act Release No. 34-12598* (July 7, 1976). Rule 14a-8(i)(11) also protects a company’s board of directors from being placed in a position where it cannot properly implement the shareholders’ will because they have approved two proposals with different terms but identical subject matter.

Two proposals need not be identical in order to provide a basis for exclusion under Rule 14a-8(i)(11). Rather, in determining whether two proposals are substantially duplicative, the Staff considers whether the core issue and principal focus of the two proposals are essentially the same, even if the terms and scope are not identical. *See, e.g., Exxon Mobil Corporation* (March 19, 2010) (concurring in the exclusion of a proposal requesting consideration of a decline in demand for fossil fuels as “substantially duplicative” of a proposal requesting a report on the financial risks of climate change); *JPMorgan Chase & Co.* (March 5, 2010) (concurring in the exclusion of a proposal seeking adoption of a policy for an independent chairman of the board as “substantially duplicative” of a proposal seeking adoption of a bylaw for a differently-defined independent chairman of the board); *General Motors Corporation* (April 5, 2007) (concurring in the exclusion of a proposal requesting semi-annual reports detailing monetary and non-monetary policy contributions and expenditures not deductible under Section 162(e)(1)(B) of the Internal Revenue Code as “substantially duplicative” of a proposal requesting an annual report of each contribution made in respect of a political campaign, political party, etc.); *Time Warner, Inc.* (February 11, 2004) (concurring in the exclusion of a broadly-worded proposal requesting a political contributions report as “substantially duplicative” of a proposal requesting disclosure of specific policies, procedures, and expenditures related to political campaigns).

*I. Summary of the Proposal and the Previously Received Proposal*

On November 5, 2010, the Company received a letter from the Board of Pensions of the Presbyterian Church (USA)<sup>6</sup> (with co-filers, collectively "**PCUSA**") submitting a shareholder proposal and supporting statement (the "**PCUSA Proposal**") for inclusion in the Company's 2011 Proxy Materials. A copy of the PCUSA Proposal and its supporting statement, PCUSA's cover letter submitting the PCUSA Proposal, and other correspondence relating to the PCUSA Proposal are attached hereto as Exhibit E. The resolution of the PCUSA Proposal reads as follows:

"RESOLVED: the shareholders request the Board of Directors to oversee development and enforcement of policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others, subject to valid constraints of pooling and servicing agreements, and report policies and results to shareholders by October 30, 2011."

On November 10, 2010, the Company received a letter from the AFL-CIO Reserve Fund ("**AFL-CIO**") submitting a shareholder proposal and supporting statement (the "**AFL-CIO Proposal**") for inclusion in the Company's 2011 Proxy Materials. A copy of the AFL-CIO Proposal and its supporting statement, AFL-CIO's cover letter submitting the AFL-CIO Proposal, and other correspondence relating to the AFL-CIO Proposal are attached hereto as Exhibit F. The resolution of the AFL-CIO Proposal reads as follows:

"RESOLVED: Shareholders recommend that JPMorgan & Chase Co. (the "Company") prepare a report on the Company's internal controls over its mortgage servicing operations, including a discussion of:

- the Company's participation in mortgage modification programs to prevent residential foreclosures,
- the Company's servicing of securitized mortgages that the Company may be liable to repurchase, and
- the Company's procedures to prevent legal defects in the processing of affidavits related to foreclosure.

The report shall be compiled at reasonable expense and be made available to shareholders by the end of 2011, and may omit proprietary information as determined by the Company."

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<sup>6</sup> Walden Asset Management, Catholic Healthcare West, Haymarket People's Fund, Mercy Investment Services, Benedictine Convent of Perpetual Adoration, the Funding Exchange, Calvert Asset Management, and the Board of Pensions of the Evangelical Lutheran Church in America subsequently submitted identical proposals to the Proposal and have indicated that they wish to serve as co-filers of the Proposal, with the Board of Pensions of the Presbyterian Church (USA) serving as primary contact.



On November 12, 2010, the Company received a letter from the Comptroller of the City of New York<sup>7</sup> (“*Comptroller*”) submitting a shareholder proposal and supporting statement (the “*Comptroller Proposal*” and, with the PCUSA Proposal and the AFL-CIO Proposal, the “*Prior Proposals*”) for inclusion in the Company’s 2011 Proxy Materials. A copy of the Comptroller Proposal and its supporting statement, the Comptroller’s cover letter submitting the Comptroller Proposal, and other correspondence relating to the Comptroller Proposal are attached hereto as Exhibit G. The resolution of the Comptroller Proposal reads as follows:

“RESOLVED, shareholders request that the Board have its Audit Committee conduct an independent review of the Company’s internal controls related to loan modifications, foreclosures and securitizations, and report to shareholders, at reasonable cost and omitting proprietary information, its findings and recommendations by September 30, 2011.

The report should evaluate (a) the Company’s compliance with (i) applicable laws and regulations and (ii) its own policies and procedures; (b) whether management has allocated a sufficient number of trained staff; and (c) policies and procedures to address potential financial incentives to foreclose when other options may be more consistent with the Company’s long-term interests.”

The resolution of the Proposal submitted by the Proponent on December 22, 2010 reads as follows:

“RESOLVED: Shareholder request that the Board of Directors publish a special report to shareholders by September 2011, at reasonable expense and omitting proprietary information, on JPMorgan Chase’s response to mortgage delinquencies and defaults for loans that it services, including: home preservation rates for 2008 - 2010, with data detailing loss mitigation outcomes for black, Latino, Asian, and white mortgage borrowers; and policies and procedures JPMorgan Chase follows to ensure that it does not wrongly foreclose on any residential property in judicial or non-judicial foreclosure states, and that affidavits and other documents that JPMorgan Chase submits to the courts in foreclosure actions are accurate and legally sufficient.”

As the attached materials show, the Proposal was submitted to the Company twenty-five days after the PCUSA Proposal, twenty days after the AFL-CIO Proposal and eighteen days after the Comptroller Proposal and, as addressed below, substantially duplicates the each of Prior Proposals because the core issue and principal focus of all the proposals are essentially the same. The Company has expressed its view in separate no-action request letters dated of even date herewith that the PCUSA Proposal may be omitted from the 2011 Proxy Materials pursuant to

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<sup>7</sup> In submitting the Proposal, the Proponent was acting in his role as custodian and trustee of the New York City Employees’ Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers’ Retirement System, and the New York City Police Pension Fund, and in his role as custodian of the new York City Board of Education Retirement System, all shareholders of the Company.

Rules 14a-8(i)(3) and 14a-8(i)(7) and that each of the AFL-CIO Proposal and the Comptroller Proposal may be omitted from the 2011 Proxy Materials pursuant to Rules 14a-8(i)(7) and 14a-8(i)(11). If the Staff concurs that all three of the Prior Proposals may properly be excluded from the 2011 Proxy Materials pursuant to Rule 14a-8, the Company intends to exclude the Prior Proposals from the 2011 Proxy Materials and would withdraw its request to exclude this Proposal in reliance on Rule 14a-8(i)(11), but proceed with its request that the Staff concur that the Proposal may be excluded from the 2011 Proxy Materials pursuant to Rule 14a-8(c) and Rule 14a-8(i)(7).

However, in the event that the Staff is unable to concur that at least one of the Prior Proposals may be omitted from the 2011 Proxy Materials in reliance on Rule 14a-8, the Company would include such Prior Proposal(s) in its 2011 Proxy Materials and, in such circumstance, respectfully requests the Staff's concurrence that this Proposal may be omitted from its 2011 Proxy Materials in reliance on Rule 14a-8(i)(11) because it substantially duplicates the PCUSA Proposal, the AFL-CIO Proposal, and/or the Comptroller Proposal each of which was received by the Company earlier in time than the current Proposal.

## **2. *The Proposal shares the same core issue as the PCUSA Proposal***

The core issue and principal focus of the PCUSA Proposal and the Proposal are the same -- they each seek disclosure regarding the Company's loan modification policies. The PCUSA Proposal seeks development of and a report on uniform application of loan modification policies, while the Proposal would require information regarding the Company's "response to mortgage delinquencies and defaults for loans [the Company] services." Both supporting statements express concern for borrowers who may be having trouble making their mortgage payments and discuss the Company's foreclosures actions. The differences between the proposals are *de minimis* and related to the scope rather than the core issue of the proposals.

The Staff has consistently concluded that proposals may be excluded because they are substantially duplicative even if such proposals differ as to terms and scope and even if the later proposal is more specific than the prior proposal. For example, in *Lehman Brothers Holdings Inc.* (January 12, 2007), the Staff concurred that a proposal that sought a report on political contributions and certain non-deductible independent expenditures, as well as specified details related to those expenditures, could be omitted in reliance on Rule 14a-8(i)(11) as substantially duplicative of a previously-received proposal that sought disclosure of the contributions made by the company to various politically-aligned organizations. The differences in detail and scope did not negate the fact that the core issue of the two proposals was concerned with political spending by the company. *See also, Bank of America* (February 14, 2006) (same); *American Power Conversion Corporation* (March 29, 2002) (concurring in the exclusion of a proposal requesting that the board of directors set a goal to establish a board of directors with at least two-thirds independent directors as "substantially duplicative" of a proposal that requested a board policy requiring nomination of a substantial majority of independent directors). Similarly, the differences between the PCUSA Proposal and the Proposal are quintessentially ones of term and scope and do not alter the fact that the core issue of all the proposals is the Company's loan

modification policies. For example, the Proposal specifies that its report should address home preservation rates, loss mitigation outcomes, and policies and procedures to ensure the Company does not wrongfully foreclose. However, these specific disclosures requested by the Proposal would necessarily be considered as part of the Company's "loan modification methods" that would have to be overseen and disclosed by the Board of Directors under the PCUSA Proposal if approved by the shareholders. That the actions required by the Proposal would necessarily be subsumed by the actions required by the PCUSA Proposal, further indicating the extent to which the core issue and principal focus of the proposals overlap.

**3. The Proposal shares the same core issue as the AFL-CIO Proposal**

As demonstrated in the table below, the core issue and principal focus of the AFL-CIO Proposal and the Proposal are substantially the same -- they each seek disclosure regarding the Company's loan modification and foreclosure practices and policies.

| AFL-CIO Proposal   | Current Proposal  |
|--|---|
| Shareholders recommend that JPMorgan & Chase Co. (the "Company") prepare a report to be made available to shareholders by the end of 2011. | Shareholders request that the Board of Directors publish a special report to shareholders by September 2011.  |
| The report should relate to "the Company's internal controls over its mortgage servicing operations."                                      | The review and report should relate to "JPMorgan Chase's response to mortgage delinquencies and defaults for loans that it services."   |
| The report should discuss:   | The report should discuss:  |
| The Company's participation in mortgage modification programs to prevent residential foreclosures  | [Supporting Statement references poor customer service of mortgage servicers, which have hindered loan modification efforts]  |
|  | Home preservation rates for 2008-2010, with data detailing loss mitigation outcomes for certain racial groups   |
| The Company's procedures to prevent legal defects in the processing of affidavits related to foreclosure                                   | The Company's policies and procedures to ensure that the Company does not wrongfully foreclose and that affidavits and other documents submitted to the courts in foreclosure actions are accurate and legally sufficient |
| The Company's servicing of securitized mortgages that the Company may be liable to repurchase  |   |

In short, the AFL-CIO Proposal would require a report on the "Company's internal controls over its mortgage servicing operations," while the current Proposal would require a report on the Company's "response to mortgage delinquencies and defaults for loans that it services." The supporting statements of both proposals recognize the Company as a leading servicer of home mortgages, express concern over current mortgage modification and foreclosure practices, and express concern over the Company's potential liability relating to activities associated with its mortgage servicing practices. The differences between the proposals are *de minimis* and related to the scope rather than the core issue of the proposals.

As discussed in detail in the section above, the Staff has consistently concluded that proposals may be excluded because they are substantially duplicative even if such proposals differ as to terms and scope and even if the later proposal is more specific than the prior proposal. The differences between the AFL-CIO Proposal and the current Proposal are quintessentially ones of term and scope and do not alter the fact that the core issue of the proposals is the Company's mortgage modification policies and foreclosure practices. For example, the AFL-CIO Proposal specifies that its report should discuss the Company's participation in mortgage modification programs to prevent residential foreclosures, while the Proposal seeks more specific information regarding home preservation rates for 2008-2010 and data detailing loss mitigation outcomes for certain racial groups. As discussed above, the actions required by the Proposal vary only in scope to the actions required by the AFL-CIO Proposal, but the core issue and principal focus of general mortgage modification policies and foreclosure practices are substantially similar for the purposes of Rule 14a-8(i)(11).

**4. The Proposal shares the same core issue as the Comptroller Proposal**

As demonstrated in the table below, the core issue and principal focus of the Comptroller Proposal and the Proposal are substantially the same -- they each seek disclosure regarding the Company's loan modification and foreclosure practices and policies.

| Comptroller Proposal  | Current Proposal  |
|---|---|
| Shareholders request that the Board have its Audit Committee conduct an independent review and report to shareholders its findings and recommendations by September 30, 2011. | Shareholders request that the Board of Directors publish a special report to shareholders by September 2011.                          |
| The review and report should relate to "the Company's internal controls related to loan modifications, foreclosures and securitizations."                                     | The review and report should relate to "JPMorgan Chase's response to mortgage delinquencies and defaults for loans that it services." |
| The report should evaluate :  | The report should discuss:  |
| Policies and procedures to address potential financial incentives to foreclose when other options may be more consistent with the   | [Supporting Statement references a report that servicers are "not properly incentivized to perform modifications even when            |

|   |   |
|---|---|
| Company's long-term interests   | modifications would yield positive net present value for investors"]  |
|   | Home preservation rates for 2008-2010, with data detailing loss mitigation outcomes for certain racial groups   |
| Whether management has allocated a sufficient number of trained staff and complied with (i) applicable laws and regulations and (ii) its own policies and procedures [presumably relating to mortgage modification and foreclosure practices] | The Company's policies and procedures to ensure that the Company does not wrongfully foreclose and that affidavits and other documents submitted to the courts in foreclosure actions are accurate and legally sufficient |

The Comptroller Proposal would require a report on "the Company's internal controls related to loan modifications, foreclosures and securitizations," while the current Proposal would require a report on the Company's "response to mortgage delinquencies and defaults for loans that it services." The supporting statements of both proposals recognize the Company as a leading servicer of home mortgages, express concern over current mortgage modification and foreclosure practices, and express concern over the Company's potential liability relating to activities associated with its mortgage servicing practices. The differences between the proposals are *de minimis* and related to the scope rather than the core issue of the proposals.

As discussed in detail in the section above, the Staff has consistently concluded that proposals may be excluded because they are substantially duplicative even if such proposals differ as to terms and scope and even if the later proposal is more specific than the prior proposal. The differences between the Comptroller Proposal and the current Proposal are quintessentially ones of term and scope and do not alter the fact that the core issue of the proposals is the Company's mortgage modification policies and foreclosure practices. For example, the report requested by the Comptroller Proposal specifies that its report should discuss policies and procedures to address potential financial incentives to foreclose when other options may be more consistent with the Company's long-term interests, while the Proposal seeks information regarding home preservation rates and loss mitigation outcomes. As discussed above, the actions required by the Proposal vary only in scope to the actions required by the Comptroller Proposal, but the core issue and principal focus of general mortgage modification policies and foreclosure practices are substantially similar for the purposes of Rule 14a-8(i)(11).

## 5. Conclusion

Based on the foregoing analysis, the Company believes that it may properly omit the Proposal and Supporting Statement from its 2011 Proxy Materials in reliance on Rule 14a-8(i)(11), provided that at least one of the Prior Proposals is included in the 2011 Proxy Materials.

**IV. CONCLUSION**

For the reasons discussed above, the Company believes that it may properly omit the Proposal and Supporting Statement from its 2011 Proxy Materials in reliance on Rule 14a-8. As such, we respectfully request that the Staff concur with the Company's view and not recommend enforcement action to the Commission if the Company omits the Proposal and Supporting Statement from its 2011 Proxy Materials. If we can be of further assistance in this matter, please do not hesitate to contact me at (202) 383-5418.

Sincerely,



Martin P. Dunn  
of O'Melveny & Myers LLP

Attachments

cc: Josh Zinner  
Co-Director  
Neighborhood Economic Development Advocacy Project

Anthony Horan, Esq.  
Corporate Secretary  
JPMorgan Chase & Co.

*Shareholder Proposal of Neighborhood Economic Development Advocacy Project*  
*JPMorgan Chase & Co.*  
*Securities Exchange Act of 1934 Rule 14a-8*

**EXHIBIT A**

Toton, Rebekah

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From: Toton, Rebekah  
Sent: Tuesday, January 11, 2011 5:08 PM  
To: Toton, Rebekah  
Subject: FW: NEDAP and CRA-NC Response to Chase Letter Dated 12/13/10  
Attachments: Chase Resolution final.pdf, [Untitled].pdf

-----Original Message-----

From: Alexis Iwanisziw [<mailto:alexis@nedap.org>]  
Sent: Wednesday, December 22, 2010 6:42 PM  
To: Anthony Horan  
Subject: NEDAP and CRA-NC Response to Chase Letter Dated 12/13/10

Dear Mr. Horan:

In response to your letter, please find attached an updated version of NEDAP and CRA-NC's shareholder proposal, initially submitted on 11/30/2010. The attached proposal addresses the concerns raised by JPMorgan Chase in your letter to NEDAP dated 12/13/2010.

Please confirm receipt of this email and one attachment.

Thank you,  
Alexis Iwanisziw

--  
Alexis Iwanisziw  
Program Associate  
NEDAP  
212-680-5100 x.201  
212-680-5104 (fax)  
[www.nedap.org](http://www.nedap.org)

Please note our new address as of 11/1/09:  
176 Grand Street, Suite 300  
New York, NY 10013

This email is confidential and subject to important disclaimers and conditions including on offers for the purchase or sale of securities, accuracy and completeness of information, viruses, confidentiality, legal privilege, and legal entity disclaimers, available at <http://www.jpmorgan.com/pages/disclosures/email>.



## JPMorgan Chase Shareholder Resolution on Foreclosures

### WHEREAS:

JPMorgan Chase is the third-largest residential mortgage servicer in the United States, servicing \$1 trillion in third-party mortgage loans in 2010.

Eleven million borrowers across the country are currently at risk of losing their homes and, according to the Mortgage Bankers Association, one out of every two hundred homes will be foreclosed on during the current foreclosure crisis.

The foreclosure crisis has disproportionately affected black and Latino mortgage borrowers, who are currently 76% and 71% more likely, respectively, to have lost their homes to foreclosure than white borrowers, according to the Center for Responsible Lending.

The concentration of foreclosed properties, especially in predominately black and Latino communities, reduces the value of nearby properties and leads to neighborhood deterioration.

There is widespread evidence that mortgage servicers are providing poor customer service to distressed borrowers, which is hindering loan modification efforts. Furthermore, the Congressional Oversight Panel reports that "servicers are not properly incentivized to perform modifications even when modifications would yield a positive net present value for investors."

There is also widespread evidence that servicers have engaged widely in "robo-signing" — automatically generating affidavits claiming that mortgage lenders have reviewed key documents, when no such review occurred, even where the chain of assignment of the note and other fundamental facts are in question.

All fifty state Attorneys General and forty state bank and mortgage regulators have convened the Mortgage Foreclosure Multistate Group to investigate abuses in mortgage servicers' foreclosure filings and determine whether servicers have violated state law, including unfair and deceptive practice laws.

Robo-signing and other servicing abuses expose JPMorgan Chase to serious legal and reputational risks. The findings of the Mortgage Foreclosure Multistate Group may lead to substantial civil and/or criminal penalties, as well as mortgage putbacks, that could adversely impact JPMorgan Chase's stock price and ability to pay shareholder dividends.

### RESOLVED:

Shareholders request that the Board of Directors publish a special report to shareholders by September 2011, at reasonable expense and omitting proprietary information, on JPMorgan Chase's response to mortgage delinquencies and defaults for loans that it services, including: home preservation rates for 2008-2010, with data detailing loss

mitigation outcomes for black, Latino, Asian, and white mortgage borrowers; and policies and procedures JPMorgan Chase follows to ensure that it does not wrongfully foreclose and that affidavits and other documents submitted to the courts in foreclosure actions are accurate and legally sufficient.

*Shareholder Proposal of Neighborhood Economic Development Advocacy Project*  
*JPMorgan Chase & Co.*  
*Securities Exchange Act of 1934 Rule 14a-8*

**EXHIBIT B**

**Galina Piatezky**

---

**From:** Alexis Iwanisziw [alexis@nedap.org]  
**Sent:** Tuesday, November 30, 2010 3:03 PM  
**To:** Anthony Horan  
**Subject:** Shareholder Proposal Submitted on Behalf of NEDAP and CRA\*NC  
**Attachments:** Chase Resolution final 11-30-10.pdf, Chase transmittal letter 11-30-10.pdf

RECEIVED BY THE

NOV 30 2010

OFFICE OF THE SECRETARY

Mr. Horan:

On behalf of the Neighborhood Economic Development Advocacy Project (NEDAP), holder of 63 shares of JPMorgan Chase stock, and Community Reinvestment Association of North Carolina (CRA-NC), holder of 152 shares of JPMorgan Chase stock, please find attached a transmittal letter and shareholder resolution for the 2011 annual meeting. Please confirm receipt of this email and the two attachments by email to me.

We look forward to discussing the issues addressed in the resolution with you.

Thank you,  
Alexis Iwanisziw

--  
Alexis Iwanisziw  
Program Associate  
NEDAP  
212-680-5100 x.201  
212-680-5104 (fax)  
[www.nedap.org](http://www.nedap.org)

Please note our new address as of 11/1/09:  
176 Grand Street, Suite 300  
New York, NY 10013



## Neighborhood Economic Development Advocacy Project

176 Grand Street, Suite 300, New York, NY 10013  
Tel: (212) 680-5100 Fax: (212) 680-5104  
[www.nedap.org](http://www.nedap.org)

By Email

November 30, 2010

Anthony J. Horan, Secretary  
JPMorgan Chase  
270 Park Avenue  
New York, NY 10017-2070

Dear Mr. Horan,

The Neighborhood Economic Development Advocacy Project (NEDAP) is a beneficial shareholder of 63 shares of JPMorgan Chase, and has held the shares since January 2008. The shares have been worth \$2,000 or more since December 1, 2009, and a letter confirming NEDAP's ownership of the shares is forthcoming. We will maintain ownership of the shares for the foreseeable future and will attend the 2011 JPMorgan Chase annual shareholder meeting.

The Community Reinvestment Association of North Carolina (CRA-NC) is a co-filer of this resolution. CRA-NC is a beneficial shareholder of 152 shares of JP Morgan Chase, and has held shares in JPMorgan Chase since 2004. The shares have been worth \$2,000 or more since December 1, 2009, and a letter confirming CRA-NC's ownership of the shares is forthcoming.

The attached proposal is submitted for inclusion in the 2011 proxy statement in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Act of 1934. We are concerned as shareholders that mortgage servicing abuses could expose JP Morgan Chase to serious legal and reputational risks.

The resolution requests that JPMorgan Chase prepare a report to shareholders on its residential mortgage loss mitigation policies and outcomes; and on what policies and procedures the Company has put in place to ensure that it does not wrongly foreclose on any residential property and that affidavits and other documents that the Company submits to the courts in foreclosure actions are accurate and legally sufficient.

Please direct any phone inquiries regarding this resolution and send copies of any correspondence to Josh Zinner, Co-Director, NEDAP, 176 Grand Street, Suite 300, New York, NY 10013, 212-680-5100 or [josh@nedap.org](mailto:josh@nedap.org).

I look forward to further discussion of this issue.

Sincerely,



Josh Zinner  
Co-Director

RECEIVED BY THE

NOV 30 2010

**JPMorgan Chase Shareholder Resolution on Foreclosures**

OFFICE OF THE SECRETARY

**WHEREAS:**

JPMorgan Chase is the third-largest residential mortgage servicer in the United States, servicing \$1 trillion in third-party mortgage loans in 2010.

Eleven million borrowers across the country are currently at risk of losing their homes and, according to the Mortgage Bankers Association, one out of every two hundred homes will be foreclosed on during the current foreclosure crisis.

The foreclosure crisis has disproportionately affected black and Latino mortgage borrowers, who are currently 76% and 71% more likely, respectively, to have lost their homes to foreclosure than white borrowers, according to the Center for Responsible Lending.

The concentration of foreclosed properties, especially in predominately black and Latino communities, reduces the value of nearby properties and leads to neighborhood deterioration.

There is widespread evidence that mortgage servicers are providing poor customer service to distressed borrowers, which is hindering loan modification efforts. Furthermore, the Congressional Oversight Panel reports that "servicers are not properly incentivized to perform modifications even when modifications would yield a positive net present value for investors."

There is also widespread evidence that servicers have engaged widely in "robo-signing" — automatically generating affidavits claiming that mortgage lenders have reviewed key documents, when no such review occurred, even where the chain of assignment of the note and other fundamental facts are in question.

All fifty state Attorneys General and forty state bank and mortgage regulators have convened the Mortgage Foreclosure Multistate Group to investigate abuses in mortgage servicers' foreclosure filings and determine whether servicers have violated state law, including unfair and deceptive practice laws.

Robo-signing and other servicing abuses expose JPMorgan Chase to serious legal and reputational risks. The findings of the Mortgage Foreclosure Multistate Group may lead to substantial civil and/or criminal penalties, as well as mortgage putbacks, that could adversely impact JPMorgan Chase's stock price and ability to pay shareholder dividends.

**RESOLVED:**

Shareholders request that the Board of Directors publish a special report to shareholders, at reasonable expense and omitting proprietary information, by September 2011 on:

1. JPMorgan Chase's residential mortgage loss mitigation policies and outcomes, including home preservation rates for 2008-2010, with data detailing loss mitigation outcomes for black, Latino, Asian, and white mortgage borrowers;
2. What policies and procedures JPMorgan Chase has put in place to ensure that it does not wrongly foreclose on any residential property in judicial or non-judicial foreclosure states, and that affidavits and other documents that JPMorgan Chase submits to the courts in foreclosure actions are accurate and legally sufficient.

*Shareholder Proposal of Neighborhood Economic Development Advocacy Project  
JPMorgan Chase & Co.  
Securities Exchange Act of 1934 Rule 14a-8*

**EXHIBIT C**



# JPMORGAN CHASE & CO.

Anthony J. Horan  
Corporate Secretary  
Office of the Secretary

December 13, 2010

VIA OVERNIGHT DELIVERY

Mr. Josh Zinner  
Neighborhood Economic Development Advocacy Project  
176 Grand Street, Suite 300  
New York NY 10013

Dear Mr. Zinner:

We received your shareholder proposal submitted for inclusion in the proxy materials for the 2011 Annual Meeting of Shareholders of JPMorgan Chase & Co. (JPMC).

Rule 14a-8 under the Securities Exchange Act of 1934 (a copy of which is enclosed) sets forth certain eligibility and procedural requirements that must be satisfied for a shareholder to submit a proposal for inclusion in a company's proxy materials. In accordance with Rule 14a-8(f) (Question 6), we hereby notify you of the following eligibility and procedural deficiencies relating to your proposal:

Rule 14a-8(c) (Question 3) precludes any one shareholder from submitting more than one proposal to a company for a particular shareholders' meeting. In this regard, your submission appears to include more than one distinct proposal. As such, your proposal is required by Rule 14a-8 to be reduced to a single proposal to be considered for inclusion in JPMC's proxy materials.

In accordance with Rule 14a-8(f)(1), and in order for the one of your proposals to be eligible for inclusion in JPMC's proxy materials, your response to the request set forth in this letter must be postmarked, or transmitted electronically, no later than 14 days from the date that you receive this letter. Please address any response to me at 270 Park Avenue, 38th Floor, New York NY 10017. Alternatively, you may transmit any response by facsimile to me at 212-270-4240.

Please note that the request in this letter is without prejudice to any other rights that JPMC may have to exclude your proposals from its proxy materials on any other grounds permitted by Rule 14a-8.

If you have any questions with respect to the foregoing, please contact me.

Sincerely,



Enclosure: Rule 14a-8 of the Securities Exchange Act of 1934

270 Park Avenue, New York, New York 10017-2070  
Telephone 212 270 7122 Facsimile 212 270 4240 [anthony.horan@chase.com](mailto:anthony.horan@chase.com)

JPMorgan Chase & Co.

77429039

## § 240.14a-8 Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) *Question 1: What is a proposal?* A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?* (1) In order to be eligible to submit a proposal, you must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d-101), Schedule 13G (§240.13d-102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) *Question 3: How many proposals may I submit?* Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) *Question 4: How long can my proposal be?* The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) *Question 5: What is the deadline for submitting a proposal?* (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?* (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a-8 and provide you with a copy under Question 10 below, §240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded?* Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8: Must I appear personally at the shareholders' meeting to present the proposal?* (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?* (1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law:* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules:* If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest:* If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance:* If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority:* If the company would lack the power or authority to implement the proposal;

(7) *Management functions:* If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Relates to election:* If the proposal relates to a nomination or an election for membership on the company's board of directors or analogous governing body or a procedure for such nomination or election;

(9) *Conflicts with company's proposal:* If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented:* If the company has already substantially implemented the proposal;

(11) *Duplication:* If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions:* If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends*: if the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10*: What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11*: May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12*: If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13*: What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-6.

# JPMORGAN CHASE & CO.

Anthony J. Horan  
Corporate Secretary  
Office of the Secretary

December 13, 2010

## VIA OVERNIGHT DELIVERY

Community Reinvestment Association of North Carolina  
c/o Mr. Josh Zinner  
Neighborhood Economic Development Advocacy Project  
176 Grand Street, Suite 300  
New York NY 10013

Dear Mr. Zinner:

We received the shareholder proposal submitted for inclusion in the proxy materials for the 2011 Annual Meeting of Shareholders of JPMorgan Chase & Co. (JPMC).

Rule 14a-8 under the Securities Exchange Act of 1934 (a copy of which is enclosed) sets forth certain eligibility and procedural requirements that must be satisfied for a shareholder to submit a proposal for inclusion in a company's proxy materials. In accordance with Rule 14a-8(f) (Question 6), we hereby notify you of the following eligibility and procedural deficiencies relating to your proposal:

Rule 14a-8(c) (Question 3) precludes any one shareholder from submitting more than one proposal to a company for a particular shareholders' meeting. In this regard, your submission appears to include more than one distinct proposal. As such, your proposal is required by Rule 14a-8 to be reduced to a single proposal to be considered for inclusion in JPMC's proxy materials.

In accordance with Rule 14a-8(f)(1), and in order for the one of your proposals to be eligible for inclusion in JPMC's proxy materials, your response to the request set forth in this letter must be postmarked, or transmitted electronically, no later than 14 days from the date that you receive this letter. Please address any response to me at 270 Park Avenue, 38th Floor, New York NY 10017. Alternatively, you may transmit any response by facsimile to me at 212-270-4240.

Please note that the request in this letter is without prejudice to any other rights that JPMC may have to exclude your proposals from its proxy materials on any other grounds permitted by Rule 14a-8.

If you have any questions with respect to the foregoing, please contact me.

Sincerely,



Enclosure: Rule 14a-8 of the Securities Exchange Act of 1934

270 Park Avenue, New York, New York 10017-2070  
Telephone 212 270 7122 Facsimile 212 270 4240 [anthony.horan@chase.com](mailto:anthony.horan@chase.com)

JPMorgan Chase & Co.

77430834

## § 240.14a-8 Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) *Question 1: What is a proposal?* A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?* (1) In order to be eligible to submit a proposal, you must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d-101), Schedule 13G (§240.13d-102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) *Question 3: How many proposals may I submit?* Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) *Question 4: How long can my proposal be?* The proposal, including any accompanying supporting statement, may not exceed 500 words.



(e) *Question 5: What is the deadline for submitting a proposal?* (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?* (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a-8 and provide you with a copy under Question 10 below, §240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded?* Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8: Must I appear personally at the shareholders' meeting to present the proposal?* (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?* (1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law*: If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules*: If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest*: If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance*: If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority*: If the company would lack the power or authority to implement the proposal;

(7) *Management functions*: If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Relates to election*: If the proposal relates to a nomination or an election for membership on the company's board of directors or analogous governing body or a procedure for such nomination or election;

(9) *Conflicts with company's proposal*: If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented*: If the company has already substantially implemented the proposal;

(11) *Duplication*: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions*: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends*: If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10*: What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11*: May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12*: If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13*: What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-6.

*Shareholder Proposal of Neighborhood Economic Development Advocacy Project*  
*JPMorgan Chase & Co.*  
*Securities Exchange Act of 1934 Rule 14a-8*

**EXHIBIT D**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

|   |   |                                      |
|---|---|--------------------------------------|
| <b>RAMIZA DURMIC, AZIZ ISAAK AND<br/>NADIA MOHAMED on behalf of<br/>themselves and all others similarly<br/>situated,</b> | ) |                                      |
|   | ) |                                      |
|   | ) |                                      |
|   | ) |                                      |
|   | ) | <b>C.A. NO. 10-10380</b>             |
|   | ) |                                      |
| <b>Plaintiffs,</b>  | ) |                                      |
| <b>vs.</b>  | ) | <b><u>CLASS ACTION COMPLAINT</u></b> |
|   | ) |                                      |
| <b>J.P. MORGAN CHASE BANK, NA</b>   | ) | <b><u>JURY TRIAL DEMANDED</u></b>    |
|   | ) |                                      |
| <b>Defendant.</b>   | ) |                                      |
|   | ) |                                      |
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**INTRODUCTION**

1. Ramiza Durmic, Aziz Isaak and Nadia Mohamed bring this suit on behalf of themselves and a class of similarly situated Massachusetts residents (“Plaintiffs”) to challenge the failure of Defendant J.P. Morgan Chase Bank, NA (“Defendant” or “Chase”) to honor its agreements with borrowers to modify mortgages and prevent foreclosures under the United States Treasury’s Home Affordable Modification Program (“HAMP”).

2. Plaintiffs’ claims are simple – when a large financial institution promises to modify an eligible loan to prevent foreclosure, homeowners who live up to their end of the bargain expect that

promise to be kept. This is especially true when the financial institution is acting under the aegis of a federal program that is specifically targeted at preventing foreclosure.

3. In 2008, J.P. Morgan Chase accepted \$25 billion in funds from the United States Government as part of the Troubled Asset Relief Program (“TARP”), 12 U.S.C. § 5211. On July 31, 2009 Michael R. Zarro Jr., Sr. Vice President of J.P. Morgan Chase Bank, NA signed a contract with the U.S. Treasury (attached as Exhibit 1 and included by reference) agreeing to participate in HAMP -- a program in which Chase received incentive payments for providing affordable mortgage loan modifications and other alternatives to foreclosure to eligible borrowers.

4. As a participating servicer in HAMP, Chase has, in turn, entered into written agreements with Plaintiffs in which it agreed to provide Plaintiffs with permanent loan modifications if Plaintiffs made three monthly trial period payments and complied with requests for accurate documentation. Plaintiffs, for their part, have complied with these agreements by submitting the required documentation and making payments. Despite Plaintiffs’ efforts, Defendant Chase has ignored its contractual obligation to modify their loans permanently.

5. The same problems affect other members of the putative class. As a result, hundreds, if not thousands, of Massachusetts homeowners are wrongfully being deprived of an opportunity to cure their delinquencies, pay their mortgage loans and save their homes. Defendant’s actions thwart the purpose of HAMP and are illegal under Massachusetts law.

#### **JURISDICTION**

6. Plaintiffs invoke the jurisdiction of this Court pursuant to 28 U.S.C. § 1332 because the action is between parties that are citizens of different states and the amount in controversy is greater than \$75,000. For diversity jurisdiction purposes, a national bank is a citizen of the state designated as its main office on its organization certificate. *Wachovia Bank, N.A. v. Schmidt*, 546 U.S. 303, 306

(2006). J.P. Morgan Chase Bank, NA is, on information and belief, a citizen of New York.

Plaintiffs are citizens of Massachusetts.

7. This court has jurisdiction over this action pursuant to 28 U.S.C. § 1332(d) in that it is brought as a putative class action in which the matter in controversy exceeds the sum or value of \$5,000,000, exclusive of interest and costs, and at least one member of the class of plaintiffs is a citizen of a State different from any defendant.

8. Venue is proper in this Court pursuant to 28 U.S.C. 1391(b) inasmuch as the unlawful practices are alleged to have been committed in this District, Defendant regularly conducts business in this District, and the named Plaintiffs reside in this District.

#### **PARTIES**

9. Ramiza Durmic is an individual residing at\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

10. Aziz Isaak and Nadia Mohamed are a married couple residing at\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

\*\*\*FISMA & OMB Memorandum M-07-16\*\*\*

11. J.P. Morgan Chase Bank, N.A. is a loan servicer with its corporate headquarters located at 270 Park Avenue, New York, NY 10017-2014.

#### **FACTUAL BACKGROUND**

##### ***The Foreclosure Crisis***

12. Over the last three years, the United States has been in a foreclosure crisis. A congressional oversight panel has recently noted that one in eight U.S. mortgages is currently in foreclosure or default.<sup>1</sup>

13. The number of Massachusetts properties with foreclosure filings in 2008 was 150% higher than in 2007 and 577% higher than in 2006 – a near seven-fold increase in only two years.<sup>2</sup>

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<sup>1</sup> Congressional Oversight Panel, Oct. 9, 2009 report at 3. Available at <http://cop.senate.gov/reports/library/report-100909-cop.cfm>.



14. According to 2009 data, the numbers continue to rise; in the third quarter of 2009, foreclosures were filed on 12,667 Massachusetts properties, a 35% increase over the same period of 2008.<sup>3</sup> Overall in 2009, over 36,000 individual properties in Massachusetts had foreclosure filings against them which, while slightly less than 2008, still represents an increase of over 100% from 2007 levels and an increase of more than 400% over 2004.<sup>4</sup>

15. Increased foreclosures have a detrimental effect not just on the borrowers who lose unique property and face homelessness, but also on the surrounding neighborhoods that suffer decreased property values and municipalities that lose tax revenue.

16. State legislative efforts were able to temporarily slow the pace of completed foreclosures in 2009, but toward the end of the year, the number of new filings once again rose, demonstrating that foreclosures were merely delayed, not prevented.<sup>5</sup>

17. The foreclosure crisis is not over. Economists predict that interest rate resets on the riskiest of lending products will not reach their zenith until sometime in 2011. See Eric Tymoigne, *Securitization, Deregulation, Economic Stability, and Financial Crisis*, Working Paper No. 573.2 at 9, Figure 30 available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1458413](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1458413) (citing a Credit Suisse study showing monthly mortgage rate resets).

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<sup>2</sup> RealtyTrac Staff. Foreclosure Activity Increases 81 Percent in 2008. Jan. 15, 2009. Available at <http://www.realtytrac.com/contentmanagement/pressrelease.aspx?channelid=9&acct=0&itemid=5681>.

<sup>3</sup> RealtyTrac Staff. U.S. Foreclosure Activity Increases 5 Percent in Q3. Oct. 15, 2009. Available at <http://www.realtytrac.com/contentmanagement/pressrelease.aspx?channelid=9&acct=0&itemid=7706>.

<sup>4</sup> RealtyTrac Staff. RealtyTrac Year End Report Shows Record 2.8 Million U.S. Properties with Foreclosure Filings in 2009. Available at <http://www.realtytrac.com/contentmanagement/pressrelease.aspx?channelid=9&itemid=8333>

<sup>5</sup> For 2007 comparison, see Gavin, Robert. Fewer Lose Their Homes in August. Boston Globe. Sept. 23, 2009. Available at [http://www.boston.com/realstate/news/articles/2009/09/23/foreclosures\\_in\\_mass\\_drop\\_but\\_petitions\\_soar/](http://www.boston.com/realstate/news/articles/2009/09/23/foreclosures_in_mass_drop_but_petitions_soar/).

### *Creation of the Home Affordable Modification Program*

18. Congress passed the Emergency Economic Stabilization Act of 2008 on October 3, 2008 and amended it with the American Recovery and Reinvestment Act of 2009 on February 17, 2009 (together, the “Act”). 12 U.S.C.A. §5201 *et. seq.* (2009).

19. The purpose of the Act is to grant the Secretary of the Treasury the authority to restore liquidity and stability to the financial system, and ensure that such authority is used in a manner that “protects home values” and “preserves homeownership.” 12 U.S.C.A. §5201.

20. The Act grants the Secretary of the Treasury the authority to establish the Troubled Asset Relief Program, or TARP. 12 U.S.C. § 5211. Under TARP, the Secretary may purchase or make commitments to purchase troubled assets from financial institutions. *Id.*

21. Congress allocated up to \$700 billion to the United States Department of the Treasury for TARP. 12 U.S.C. § 5225.

22. In exercising its authority to administer TARP, the Act mandates that the Secretary “shall” take into consideration the “need to help families keep their homes and to stabilize communities.” 12 U.S.C. § 5213(3).

23. The Act further mandates, with regard to any assets acquired by the Secretary that are backed by residential real estate, that the Secretary “shall implement a plan that seeks to maximize assistance for homeowners” and use the Secretary’s authority over servicers to encourage them to take advantage of programs to “minimize foreclosures.” 12 U.S.C.A. §5219.

24. The Act grants authority to the Secretary of the Treasury to use credit enhancement and loan guarantees to “facilitate loan modifications to prevent avoidable foreclosures.” *Id.*

25. The Act imposes parallel mandates to implement plans to maximize assistance to homeowners and to minimize foreclosures. 12 U.S.C.A. §5220.

26. On February 18, 2009, pursuant to their authority under the Act, the Treasury Secretary and the Director of the Federal Housing Finance Agency announced the Making Home Affordable program.

27. The Making Home Affordable program consists of two subprograms. The first subprogram relates to the creation of refinancing products for individuals with minimal or negative equity in their home, and is now known as the Home Affordable Refinance Program, or HARP.

28. The second sub-program relates to the creation and implementation of a uniform loan modification protocol, and is now known as the Home Affordable Modification Program, or HAMP. It is this subprogram that is at issue in this case.

29. HAMP is funded by the federal government, primarily with TARP funds. The Treasury Department has allocated at least \$75 billion to HAMP, of which at least \$50 billion is TARP money.

30. Under HAMP, the federal government incentivizes participating servicers to enter into agreements with struggling homeowners that will make adjustments to existing mortgage obligations in order to make the monthly payments more affordable. Servicers receive \$1000.00 for each HAMP modification.

#### ***Broken Promises Under HAMP***

31. The industry entities that perform the actual interface with borrowers – including such tasks as payment processing, escrow maintenance, loss mitigation and foreclosure – are known as “servicers.” Servicers typically act as the agents of the entities that hold mortgage loans. Chase is a servicer and its actions described herein were made as agents for the entities that hold mortgage loans.

32. Should a servicer elect to participate in HAMP,<sup>6</sup> they execute a Servicer Participation Agreement (“SPA”) with the federal government.

33. On July 31, 2009, Michael R. Zarro Jr., Sr. Vice President of J.P. Morgan Chase Bank, NA, executed an SPA, thereby making Chase a participating servicer in HAMP. A copy of this SPA is attached hereto as Exhibit 1.

34. The SPA executed by Chase incorporates all “guidelines,” “procedures,” and “supplemental documentation, instructions, bulletins, frequently asked questions, letters, directives, or other communications” issued by the Treasury, Fannie Mae or Freddie Mac in connection with the duties of Participating Servicers. These documents together are known as the “Program Documentation” (SPA at ¶ 1.A.), and are incorporated by reference herein.

35. The SPA mandates that a Participating Servicer “shall perform” the activities described in the Program Documentation “for all mortgage loans it services.” (SPA at ¶¶ 1.A., 2.A.)<sup>7</sup>

36. The Program Documentation requires Participating Servicers to evaluate *all loans*, which are 60 or more days delinquent for HAMP modifications. (SD 09-01 at 4) In addition, if a borrower contacts a Participating Servicer regarding a HAMP modification, the Participating Servicer must collect income and hardship information to determine if HAMP is appropriate for the borrower.

37. A HAMP Modification consists of two stages. First, a Participating Servicer is required to gather information and, if appropriate, offer the homeowner a Trial Period Plan (“TPP”).<sup>8</sup> The

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<sup>6</sup> Certain classes of loans, namely those held by Federal National Mortgage Association (“Fannie Mae”), Federal Home Loan Mortgage Corporation (“Freddie Mac”) or companies that accepted money under the TARP program, are subject to mandatory inclusion in HAMP. Otherwise, participation by servicers in the HAMP program is voluntary.

<sup>7</sup> The Program Documentation also includes Supplemental Directive 09-01 (“SD 09-01,” attached hereto as Exhibit 2), Home Affordable Modification Program; Base Net Present Value (NPV) Model Specifications (“NPV Overview,” attached hereto as Exhibit 3) and Supplemental Documentation—Frequently Asked Questions (“HAMPFAQS,” attached hereto as Exhibit 4) and Supplemental Directive 09-08 (“SD 09-08,” attached hereto as Exhibit 5). These documents together describe the basic activities required under HAMP and are incorporated by reference in both of the TPP Agreements signed by Plaintiffs as well as herein.

TPP consists of a three-month period in which the homeowner makes mortgage payments based on a formula that uses the initial financial information provided.

38. Chase offers TPPs to eligible homeowners by way of a TPP Agreement, which describes the homeowner's duties and obligations under the plan and promises a permanent HAMP modification for those homeowners that execute the agreement and fulfill the documentation and payment requirements.

39. If the homeowner executes the TPP Agreement, complies with all documentation requirements and makes all three TPP monthly payments, the second stage of the HAMP process is triggered, in which the homeowner is offered a permanent modification.

40. Chase has routinely failed to live up to their end of the TPP Agreement and offer permanent modifications to homeowners. In January 2010, the U.S. Treasury reported that Chase had 424,965 HAMP-eligible loans in its portfolio. Of these loans, just 7,139 resulted in permanent modifications (approximately 1.7 %) even though many more homeowners had made the payments and submitted the documentation required by the TPP Agreement. The Treasury Report is attached hereto as Exhibit 6.

41. By failing to live up to the TPP Agreement and convert TPPs into permanent modifications, Chase is not only leaving homeowners in limbo, wondering if their home can be saved, Chase is also preventing homeowners from pursuing other avenues of resolution, including using the money they are putting toward TPP payments to fund bankruptcy plans, relocation costs, short sales or other means of curing their default.

*Ramiza Durmic*

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<sup>8</sup> The eligibility criteria for HAMP, as well as the formula used to calculate monthly mortgage payments under the modification, are explained in detail in SD 09-01, attached hereto as Exhibit 2. Generally speaking, the goal of a HAMP modification is for owner-occupants to receive a modification of a first-lien loan by which the monthly mortgage payment is reduced to 31% of their monthly income for the next five years.

42. Ramiza Durmic has been the owner of OMB Memorandum since March 29, 2006. She works at Target while raising her family.

43. On February 9, 2007 Durmic took out a \$272,000 mortgage loan (hereinafter the "mortgage loan") for her residence at OMB Memorandum from Washington Mutual Bank, FA.

44. The servicing of the Plaintiff's mortgage loan was transferred to the Defendant Chase sometime after February 9, 2007 and continues to this date.

45. After taking out the mortgage loan, Durmic began experiencing various financial hardships, which combined to cause her to have difficulty making payments on her mortgage loan and resulted in her falling behind on her payments.

46. Around late May, 2009 or early June, 2009 Durmic applied for a *Making Home Affordable* loan modification.

47. By June, 2009 Durmic was about 9 months behind in her mortgage payments.

48. On June 19, 2009, Chase offered Durmic a TPP Agreement entitled *Home Affordable Modification Trial Period Plan* (hereinafter Trial Period Plan or TPP). A copy of the letter accompanying the TPP Agreement is attached hereto as Exhibit 7. Durmic timely accepted the offer by executing the TPP Agreement and returning it to Defendant Chase, along with the Hardship Affidavit, IRS Form 4506-T, payment and other supporting documentation, by Federal Express on June 26, 2009. A copy of the TPP signed by Durmic and other partially redacted items submitted to Defendant Chase is attached hereto as Exhibit 8.

49. The TPP Agreement provided that the plan was effective July 1, 2009 and would run from July, 2009 to September, 2009. Durmic's monthly mortgage payments (Principle, Interest, Taxes and Insurance) were reduced to \$829.02/month under the TPP.

50. The TPP Agreement is entitled "Home Affordable Modification Program Loan Trial Period," and the first sentence of the agreement provides: "If I am in compliance with this Loan Trial Period and my representations in Section 1 continue to be true in all material respects, then the Lender will provide me with a Loan Modification Agreement, as set forth in Section 3 [below], that would amend and supplement (1) the Mortgage on the Property, and (2) the Note secured by the Mortgage."

51. The TPP Agreement also states "I understand that after I sign and return two copies of this Plan to the Lender, the Lender will send me a signed copy of the Plan if I qualify for the Offer or will send me written notice that I do not qualify for the offer." Nevertheless, to date, Chase has still sent neither a signed copy of the Plan, nor a written rejection.

52. Durmic timely made each of the payments provided for in the TPP Agreement due in July, August and September, 2009. She has also timely made payments for October, November and December, 2009 and January and February, 2010, consistent with her TPP Agreement payment amount.

53. In the midst of her trial period and despite the promise in the TPP Agreement that the "Lender will suspend any scheduled foreclosure sale, provided I continue to meet the obligations under this Plan...", Chase, through its attorney, attempted to collect on the mortgage loan by serving Durmic with:

- a. An *Order of Notice* by letter dated August 19, 2009 expressing the holder's intention to foreclose by entry and possession and exercise of power of sale; and
- b. An August 26, 2009 *Notice of Mortgage Foreclosure Sale* and *Notice of Intention to Foreclose Mortgage and of Deficiency After Foreclosure of Mortgage* and *Notice*

*of Mortgagee's Sale of Real Estate* setting the foreclosure sale date of DMB Memorandum M-07-16\*\*\*

September 28, 2009 at 9:00 AM.

54. Despite the threats to conduct a foreclosure sale, Durmic has continued to make payments as described in the TPP.

55. On August 28, 2009, Durmic's counsel called Chase seeking postponement of the September 28, 2009 foreclosure sale date. He was told that Chase would postpone the sale and that he should provide Chase with Durmic's last 2 pay stubs and her most recent bank statement even though her last 2 paystubs were submitted in June, 2009. Chase also indicated that it should be making a decision on whether it will offer Durmic a permanent loan modification by the end of September, 2009. Durmic's counsel sent the requested documents to Chase on August 31, 2009.

56. Having received no written confirmation from Chase that the September 28, 2009 foreclosure sale was postponed, Durmic's counsel sent a 93A demand letter to counsel for Chase seeking written confirmation of the postponement of the foreclosure sale. On September 18, 2009 counsel for Chase confirmed in writing that the foreclosure sale had been cancelled.

57. By letter dated October 2, 2009 Durmic received a written message from Chase with the startling headline: "YOUR MODIFICATION IS AT RISK-URGENT RESPONSE NEEDED!" The letter went on to state:

"...Under the terms of the Trial Plan Agreement previously sent to you, you are required to make trial plan payments and also provide certain documentation as a condition of approval for a permanent modification.

Unfortunately, we are still missing documentation necessary to evaluate your modification request... The deadline specified in your Trial Plan Agreement for submitting this documentation has passed. However, a recent decision by the Department of Treasury under the Making Home Affordable program provides you a one-time extension of this deadline, and we are writing to request that you provide these missing documents before we can proceed with a decision on your request for a modification.



58. The October 2, 2009 letter instructed Durmic to continue making TPP payments at the same amount and identified the following documentation as missing: pay stubs, signed IRS Form 4506-T, and signed Hardship Affidavit.

59. Durmic's counsel called Chase for clarification of the October 2, 2009 letter because Durmic had twice previously provided to Chase her most recent pay stubs, a signed IRS Form 4506-T, and a signed Hardship Affidavit. She had not been previously required to provide proof of residence. In that communication from Chase, it changed its document demand to:

- a. Ms. Durmic's most recent pay stub,
- b. Ms. Durmic's most recent bank statement, and
- c. A utility bill in her name at the property's address.

60. On October 9, 2009 Durmic faxed to Chase the documents demanded during the phone call with Durmic's counsel.

61. As of this date, Durmic is in compliance with her obligations under the TPP Agreement and her representations to the Defendant continue to be true in all material respects.

62. Despite having timely provided Chase with all documentation it requested, Chase did not provide Durmic with a permanent loan modification by the end of her Trial Period (September, 2009).

63. Despite Durmic's compliance in all material respects with the terms of the TPP Agreement, Durmic still has not been offered a permanent loan modification under the HAMP Program guidelines.

64. Defendant has therefore breached the provision of the TPP Agreement that compliance with the TPP Agreement for the three month trial period would result in a permanent loan modification. At this point, her TPP is now in its eighth month with no end in sight.

65. Like the other Plaintiffs in this matter, Durmic has been living in limbo, without any assurances that her home will not be foreclosed, despite her compliance with HAMP requirements and her continued monthly payments under the TPP.

*Aziz Isaak and Nadia Mohamed*

66. The Isaak-Mohameds have been the owners of the residence since November 26, 2003. They hold down 3 jobs between them while raising a family.

67. On November 18, 2005 the Isaak-Mohameds took out a \$328,500 mortgage loan (hereinafter the "mortgage loan") for their residence from Franklin First Financial, LTD.

68. The servicing of the Plaintiff's mortgage loan was transferred to the Defendant Chase sometime after November 18, 2005 and continues to this date.

69. After taking out the mortgage loan, the Isaak-Mohameds began experiencing financial hardships, which combined to cause them to have difficulty making payments on their mortgage loan and resulted in them falling behind on their payments.

70. By September, 2009 the Isaak-Mohameds were about 12 months behind in their mortgage payments and their home was scheduled for a foreclosure sale date of September 23, 2009. The Isaak-Mohameds decided to seek help from their loan servicer in preserving their home and making their mortgage more affordable.

71. On September 7, 2009 they applied for a HAMP loan modification by fax. On September 9, 2009 they supplemented their application with additional financial information by fax.

72. By letter dated September 16, 2009, Chase offered the Isaak-Mohameds a TPP Agreement entitled *Home Affordable Modification Trial Period Plan*. A copy of the letter accompanying the TPP Agreement is attached hereto as Exhibit 9.

73. The Isaak-Mohameds timely accepted the offer on October 9, 2009 by returning the executed TPP Agreement to Chase via Federal Express, along with along with the Hardship Affidavit, IRS Form 4506-T, payment and other supporting documentation. A copy of the TPP Agreement signed by the Isaak-Mohameds, along with the partially redacted supporting materials sent to Chase, is attached hereto as Exhibit 10.

74. The TPP Agreement provided that the plan was effective November 1, 2009 and would run from November, 2009 to January, 2010.

75. The TPP Agreement is entitled "Home Affordable Modification Program Loan Trial Period," and the first sentence of the agreement provides: "If I am in compliance with this Loan Trial Period and my representations in Section 1 continue to be true in all material respects, then the Lender will provide me with a Loan Modification Agreement, as set forth in Section 3 [below], that would amend and supplement (1) the Mortgage on the Property, and (2) the Note secured by the Mortgage."

76. The TPP Agreement also states "I understand that after I sign and return two copies of this Plan to the Lender, the Lender will send me a signed copy of the Plan if I qualify for the Offer or will send me written notice that I do not qualify for the offer." Nevertheless, to date, Chase still has sent neither a signed copy of the Plan, nor a written rejection.

77. The Isaak-Mohameds timely made each of the payments provided for in the TPP Agreement for November and December, 2009 and January, 2010. They have also timely made a payment for February, 2010 consistent with the TPP Agreement payment amount.

78. Ignoring the documents that had previously been sent by the Isaak-Mohameds on October 9, 2009, as stated above, Chase sent a letter dated October 16, 2009 (received by the Isaak-Mohameds on October 24, 2009) stating:

Chase Home Finance LLC is writing to inform you that we have not received all documents necessary to complete your request for a modification of the above referenced Loan.

In order for us to continue processing your request, you must submit the items indicated below within ten (10) days from the date of this letter. If we do not receive all the information listed below, we may be forced to cancel your request and your modification will be denied.

- Most recent bank statement including all pages, last four if self-employed.

79. Chase extended the deadline to submit the documents to October 27, 2009.

80. Despite having previously sent their most recent bank statements with their original application in September 2009, the Isaak-Mohameds responded to the October 16, 2009 letter by faxing to Chase their most recent bank statements on October 27, 2009.

81. On January 31, 2010 Chase sent the Isaak-Mohameds a letter with the startling headline: "YOUR MODIFICATION IS AT RISK-URGENT RESPONSE NEEDED!" As before Chase claimed that "we have not received all required documents necessary to complete your request for a modification of the above-referenced Loan." This time the following documents were stated as supposedly missing:

- Properly completed Hardship Affidavit
- Properly completed 4506-Y-EZ-Request for Transcript of tax return form
- Income Documentation
  - If salaried or wage employee-two (2) most recent pay stubs indicating year-to-date earnings

The letter continues by stating "In addition to getting us the required documents, you must also continue to make trial period payments at your current amount."

82. Despite having previously provided a Hardship Affidavit and an IRS Form 4506-T, the Isaak-Mohameds re-provided that documentation along with all of the pay-stubs requested plus a signed copy of their 2009 tax return with all schedules.

83. As of this date, the Isaak-Mohameds are in compliance with their TPP Agreement and their representations to the Defendant continue to be true in all material respects.

84. Despite having timely provided Chase with all documentation it requested, Chase did not provide the Isaak-Mohameds with a permanent loan modification by January 31, 2010.

85. Despite their compliance in all material respects with the terms of the TPP Agreement, the Isaak-Mohameds still have not been given a permanent loan modification under the HAMP Program guidelines.

86. Defendant has therefore breached the provision of the TPP Agreement that compliance with the TPP Agreement for the three month trial period would result in a permanent loan modification. At this point, the TPP is now in its fifth month with no end in sight.

87. Like the other Plaintiffs in this matter, the Isaak-Mohamed have been living in limbo, without any assurances that their home will not be foreclosed, despite their compliance with HAMP requirements and their continued monthly payments under the TPP.

*Class Allegations*

88. Plaintiffs repeat and re-allege every allegation above as if set forth herein in full.

89. This class action is brought by the Plaintiffs on behalf of themselves and all Massachusetts homeowners whose loans have been serviced by Defendant and who, since July 31, 2009, have complied with their obligations under a written TPP Agreement, but have not received a permanent HAMP modification.

90. Plaintiffs sue on their own behalf and on behalf of a class of persons under Rules 23(a) and (b) of the Federal Rules of Civil Procedure.

91. Plaintiffs do not know the exact size or identities of the members of the proposed class, since such information is in the exclusive control of Defendant. Plaintiffs believe that the class encompasses many hundreds of individuals whose identities can be readily ascertained from Defendant's books and records. Therefore, the proposed class is so numerous that joinder of all members is impracticable.

92. Based on the size of the modifications at issue, Plaintiffs believe the amount in controversy exceeds \$5 million.

93. All members of the class have been subject to and affected by the same conduct. The claims are based on form contracts and uniform loan modification processing requirements. There are questions of law and fact that are common to the class, and predominate over any questions affecting only individual members of the class. These questions include, but are not limited to the following:

- a. the nature, scope and operation of Defendant's obligations to homeowners under HAMP ;
- b. whether Defendant's receipt of an executed TPP Agreement, along with supporting documentation and three monthly payments, creates a binding contract or otherwise legally obligates Defendant to offer class members a permanent HAMP modification;
- c. whether Defendant's failure to provide permanent HAMP modifications in these circumstances amounts to a breach of contract and/or a breach of the covenant of good faith and fair dealing; and

d. whether the Court can order Defendant to pay damages and what the proper measure of damages is, and also whether the Court can enter injunctive relief.

94. The claims of the individual named Plaintiffs are typical of the claims of the class and do not conflict with the interests of any other members of the class in that both the Plaintiffs and the other members of the class were subject to the same conduct, signed the same agreement and were met with the same absence of a permanent modification.

95. The individual named Plaintiffs will fairly and adequately represent the interests of the class. They are committed to the vigorous prosecution of the class' claims and have retained attorneys who are qualified to pursue this litigation and have experience in class actions – in particular, consumer protection actions.

96. A class action is superior to other methods for the fast and efficient adjudication of this controversy. A class action regarding the issues in this case does not create any problems of manageability.

97. This putative class action meets both the requirements of Fed. R. Civ. P. 23(b)(2) and Fed. R. Civ. P. 23(b)(3).

98. The Defendant has acted or refused to act on grounds that apply generally to the class so that final injunctive relief or corresponding declaratory relief is appropriate respecting the class as a whole.

COUNT I  
*Breach of Contract*

99. Plaintiffs repeat and re-alleges every allegation above as if set forth herein in full.

100. Plaintiffs bring this claim on their own behalf and on behalf of each member of the Class described above.

101. As described above, the TPP Agreement sent by Defendant to Plaintiffs constitutes a valid offer.

102. By executing the TPP Agreement and returning it to Defendant along with the supporting documentation, Plaintiffs accepted Defendant's offer.

103. Alternatively, Plaintiffs' return of the TPP Agreement constitutes an offer. Acceptance of this offer occurred when Defendant accepted Plaintiffs' TPP payments.

104. Plaintiffs' TPP payments to Defendant constitute consideration. By making those payments, Plaintiffs gave up the ability to pursue other means of saving their home, and Defendant received payments it might otherwise not have.

105. Plaintiffs and Defendant thereby formed valid contracts.

106. To the extent that the contracts were subject to a condition subsequent providing Chase an opportunity to review the documentation submitted by Plaintiffs when they returned the signed TPP, this condition was waived by Chase and/or it is estopped to assert it as a defense to Plaintiffs' claims.

107. By failing to offer Plaintiffs permanent HAMP modifications, Defendant breached those contracts.

108. Plaintiffs remain ready, willing and able to perform under the contracts by continuing to make TPP payments and provide documentation.

109. Plaintiffs have suffered harm and are threatened with additional harm from Defendant's breach. By making TPP payments both during and after the TPP, Plaintiffs forego other remedies that might be pursued to save their homes, such as restructuring their debt under the bankruptcy code, or pursuing other strategies to deal with their default, such as selling their home. On



information and belief, some putative class members have suffered additional harm in the form of foreclosure activity against their homes.

## COUNT II

### *Breach of the Implied Covenant of Good Faith and Fair Dealing*

110. Plaintiffs repeat and re-alleges every allegation above as if set forth herein in full.

111. Plaintiffs bring this claim on their own behalf and on behalf of each member of the Class described above.

112. Defendant is obligated by contract and common law to act in good faith and to deal fairly with each borrower.

113. “[T]he purpose of the covenant is to guarantee that the parties remain faithful to the intended and agreed expectations of the parties in their performance.” *Uno Restaurants, Inc. v. Boston Kenmore Realty Corp.*, 441 Mass. 376, 385 (2004).

114. Defendant routinely and regularly breaches this duty by:

- a. failing to perform loan servicing functions consistent with its responsibilities to Plaintiffs;
- b. failing to properly supervise its agents and employees including, without limitation, its loss mitigation and collection personnel and its foreclosure attorneys;
- c. routinely demanding information it has already received;
- d. making inaccurate calculations and determinations of Plaintiffs’ eligibility for HAMP;
- e. failing to follow through on written and implied promises;
- f. failing to follow through on contractual obligations; and

g. failing to give permanent HAMP modifications and other foreclosure alternatives to qualified Plaintiffs.

115. As a result of these failures to act in good faith and the absence of fair dealing, Defendant caused Plaintiffs harm.

**COUNT III**  
***Promissory Estoppel, in the alternative***

116. Plaintiffs repeat and re-alleges every allegation above as if set forth herein in full.

117. Plaintiffs bring this claim on their own behalf and on behalf of each member of the Class described above.

118. Defendant, by way of its TPP Agreements, made a representation to Plaintiffs that if they returned the TPP Agreement executed and with supporting documentation, and made their TPP payments, they would receive a permanent HAMP modification.

119. Defendant's TPP Agreement was intended to induce Plaintiffs to rely on it and make monthly TPP payments.

120. Plaintiffs did indeed rely on Defendant's representation, by submitting TPP payments.

121. Given the language in the TPP Agreement, Plaintiffs' reliance was reasonable.

122. Plaintiffs reliance was to their detriment. Plaintiffs have yet to receive permanent HAMP modifications and have lost the opportunity to fund other strategies to deal with their default and avoid foreclosure.

**PRAYER FOR RELIEF**

WHEREFORE, the Plaintiffs respectfully request the following relief:

a. Certify this case as a class action and appoint the named Plaintiffs to be class representatives and their counsel to be class counsel;

b. Enter a Judgment declaring the acts and practices of Defendant complained of herein to constitute a breach of contract and a breach of the covenant of good faith and fair dealing, together with a Declaration that Defendant is required by the doctrine of promissory estoppel to offer permanent modifications to class members;

c. Grant preliminary and permanent injunctive relief, enjoining Defendant's agents and employees, affiliates and subsidiaries, from continuing to harm Plaintiffs and the members of the Class in violation of their contractual and other obligations undertaken and incurred in connection with HAMP;

d. Order Defendant to adopt and enforce a policy that requires appropriate training of their employees and agents regarding their duties under HAMP;

e. Order specific performance of Defendant's contractual obligations together with other relief required by contract and law;

g. Award actual and punitive damages to the Plaintiffs and the class;

h. Award Plaintiffs the costs of this action, including the fees and costs of experts, together with reasonable attorneys' fees; and

i. Grant Plaintiffs and the Class such other and further relief as this Court finds necessary and proper.

**JURY TRIAL DEMANDED**

Plaintiffs demand a trial by jury on all issues so triable.

Respectfully Submitted,  
On behalf of the Plaintiffs

/s/ Gary Klein  
Gary Klein (BBO 560769)  
Shennan Kavanagh (BBO 655174)  
Kevin Costello (BBO 669100)

RODDY KLEIN & RYAN  
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Lawrence, MA 01840  
Tel: (978) 686-6900  
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DATE: March 3, 2010

IN THE CIRCUIT COURT FOR THE 19<sup>TH</sup> JUDICIAL CIRCUIT  
LAKE COUNTY - WAUKEGAN ILLINOIS

JPMORGAN CHASE BANK, NATIONAL  
ASSOCIATION,

Plaintiff

vs.

FRANCES DEUTSCH; SOL DEUTSCH;  
COURTYARDS AT THE WOODLANDS  
CONDOMINIUM ASSOCIATION; UNKNOWN  
OWNERS AND NONRECORD CLAIMANTS,

Defendants.

No. 08 CH 4035

FRANCES DEUTSCH and SOL DEUTSCH,

Defendants-Counterplaintiffs

vs.

JPMORGAN CHASE BANK, NATIONAL  
ASSOCIATION,

Plaintiff-Counterdefendant

**CLASS ACTION COUNTERCLAIM  
IN LIEU OF ANSWER PURSUANT TO 735 ILCS 5/15-1504**

Defendants-Counterplaintiffs, FRANCES DEUTSCH and SOL DEUTSCH, (hereinafter sometimes referred to as "DEUTSCH"), pursuant to 735 ILCS 5/15-1504, on behalf of themselves and a class of all others similarly situated, by and through their attorneys, LARRY D. DRURY, LTD. and, except as to facts known to DEUTSCH, and allege upon information and belief, following investigation of counsel against Plaintiff-Counterdefendant, JPMORGAN

CHASE BANK, NATIONAL ASSOCIATION, (hereinafter referred to as "CHASE"), as follows:

#### NATURE OF THE CASE

1. DEUTSCH seeks relief for themselves and a class of similarly situated CHASE mortgagors throughout Illinois and the United States against whom CHASE has initiated foreclosure proceedings between the years 2000 to the date of judgment herein.

2. CHASE's proceeding to foreclose upon DEUTSCH's residential real estate mortgage was filed on October 21, 2008, and is currently pending before this Court. DEUTSCH filed an answer on September 2, 2009.

3. On May 7, 2010, CHASE filed a motion for summary judgment pursuant to 735 ILCS 5/2-1005 wherein the undated, unverified, signed but not notarized Affidavit of Margaret Dalton, Vice President of JPMorgan Chase Bank, National Association was attached. A copy of said Affidavit is attached hereto as Exhibit A. On September 23, 2010, Deutsch filed a Motion to Strike and Dismiss Chase's Affidavit and/or In The Alternative to Answer to Chase's Motion for Summary Judgment.

4. That on or about September 30, 2010, CHASE publicly admitted that affidavits attached to their motions for summary judgment a/k/a "quick judgments", are without the personal knowledge of the affiant and, based thereon, purportedly suspended 56,000 pending foreclosure proceedings throughout the United States, including Illinois, until further notice.

5. That despite having knowledge that affidavits attached to their motions for summary judgment a/k/a "quick judgments" are false and without the personal knowledge of the affiant, as is believed to be the fact in the pending foreclosure proceeding, CHASE continues to

pursue foreclosures throughout the United States resulting in judgments of foreclosure, loss of property, deficiency judgments, fees and costs.

#### **PARTIES, JURISDICTION AND VENUE**

6. Defendants-Counterplaintiffs, FRANCES DEUTSCH and SOL DEUTSCH are residents of Lake County, Illinois.

7. Plaintiff-Counterdefendant, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, provides mortgage and financial services in Lake County, Illinois and throughout the United States.

8. This Court has jurisdiction over this action pursuant to 735 ILCS 5/2-209 in that CHASE has transacted business and continues to transact business and commit acts and tortious conduct relating to the matters complained of herein in this State, and/or own real estate in this State.

9. Venue is proper pursuant to 735 ILCS 5/2-101 because CHASE transacts and conducts business in Lake County, Illinois and because the conduct giving rise to this Class Action Counterclaim occurred in Lake County, Illinois.

#### **FACTUAL ALLEGATIONS**

10. DEUTSCH entered into a purported mortgage transaction with CHASE on May 25, 2004. However, there are no allegations that CHASE is the holder or assignee of the Mortgage and Note upon which they have foreclosed. Further, there are no allegations that CHASE actually provided the funds for the original mortgages of DEUTSCH and the Class.

11. CHASE filed for foreclosure against DEUTSCH in the Circuit Court of Lake County, Illinois on October 21, 2008.

12. DEUTSCH filed their Answer to Complaint to Foreclose Mortgage on September 2, 2009.

13. On or about September 30, 2010, CHASE publicly admitted and announced that at least 56,000 mortgages in foreclosure proceedings throughout the United States would, purportedly, be temporarily suspended because of the lack of personal knowledge of affiants who signed affidavits, and/or the accuracy of the information contained in affidavits filed in support of CHASE's motions for summary judgment, i.e., "quick judgments". Further, on information and belief, CHASE may, purportedly, temporarily suspend evictions and sales of foreclosed properties.

14. CHASE, although engaged in the practice and policy of drafting and signing false affidavits as alleged herein, did not identify which of their mortgages have the false affidavits, what they are doing to correct same and what notice and remedy they will provide to DEUTSCH and the class to resolve their illegal conduct with respect to said affidavits as alleged herein.

15. CHASE knew or should have known that their conduct in providing false affidavits was illegal. Said actions were willful or, alternatively, were done with careless disregard for the rights and property of DEUTSCH and the Class.

16. The actions of CHASE seem to permeate the mortgage industry in that GMAC and Bank of America have also purportedly suspended their mortgage foreclosures for the same reason as CHASE - false affidavits.

17. CHASE has not set aside, designated or segregated funds to reimburse DEUTSCH and the Class for their illegal actions as alleged herein, nor have they identified the purportedly



suspended mortgages, nor a specific course of action to remedy their damaging and illegal conduct.

18. CHASE makes millions of dollars from consumers on their mortgage transactions, makes loans at high rates of interest, pays little on savings and investment accounts and took TARP money from the people of the United States, all while engaging in illegal conduct with respect to their mortgage foreclosures, depriving DEUTSCH and the Class of their rights and property.

19. On information and belief, title insurance companies will not insure, or continue to insure, the property of DEUTSCH and the Class because of the effect of the false affidavits upon title to their properties, and the sale or conveyance of said property.

20. As a further result of CHASE's illegal acts and conduct, the value of the property of DEUTSCH and the Class is diminished and is in continuing peril.

#### **CLASS ALLEGATIONS**

21. DEUTSCH brings this action individually and on behalf of a Class of similarly situated CHASE mortgagors throughout Illinois and the United States against whom CHASE has initiated foreclosure proceedings between the years 2000 to the date of judgment herein.

22. The Class is so numerous that joinder of all members is impracticable, as the Class includes thousands of persons.

23. Questions of fact or law are common to the Class and predominate over any questions affecting only individual members, including, for example the following:

- A. Whether DEUTSCH and the Class have a mortgage with CHASE and are in default of said mortgage.

- B. Whether CHASE has foreclosed upon the property of DEUTSCH and the Class.
- C. Whether CHASE has filed for summary judgment based upon a false affidavit without the personal knowledge of the affiants, and/or verifying the accuracy of the information contained in their affidavits.
- D. Whether or not CHASE is negligent or grossly negligent of the conduct alleged herein.
- E. Whether CHASE committed consumer fraud and deceptive practices and/or acted unfairly to DEUTSCH and the Class.
- F. Whether DEUTSCH and the Class are entitled to injunctive relief.
- G. Whether DEUTSCH and the Class are entitled to declaratory judgment.
- H. Whether title insurance companies are refusing to insure properties that have been or are being foreclosed on by CHASE as a result of their conduct alleged herein.
- I. Whether CHASE should provide an accounting to DEUTSCH and the Class.
- J. Whether CHASE has been unjustly enriched.
- K. Whether CHASE should pay compensatory and punitive damages to DEUTSCH and the Class.
- L. Whether CHASE should have notified and warned DEUTSCH and the Class of their false affidavits and that their foreclosure eviction and/or the sale of their property has purportedly been temporary suspended.
- M. Whether CHASE should be sanctioned pursuant to Ill. Sup. Ct. R. 137 or like and similar state statutes;
- 24. DEUTSCH's claims are typical of the claims of the other Class members.

25. DEUTSCH will fairly and adequately protect the interests of the Class. All Class members will receive proper, efficient and appropriate protection of their interests by the representative parties, as the representative parties are not seeking relief which is potentially antagonistic to the members of the Class. Additionally, DEUTSCHS' attorneys are competent, qualified and experienced to prosecute the action on behalf of the Class.

### COUNT I

#### NEGLIGENCE

1-25. Defendant-Counterplaintiffs repeat and reallege all allegations in paragraphs 1 through 25 herein as though fully set forth in this Count I.

26. CHASE at all relevant times herein had an ongoing duty to provide legal, accurate and verified facts based upon the affiant's personal knowledge in support of their motion for summary judgment, i.e., "quick judgment" and to use ordinary and reasonable care with respect to same.

27. CHASE has breached these duties by, *inter alia*, engaging in the following conduct with respect to DEUTSCH and the Class:

- A. Failing to disclose to DEUTSCH and the Class their false affidavits;
- B. Failing to disclose to DEUTSCH and the Class that foreclosure proceedings, eviction and/or sale of their properties has purportedly been temporarily suspended;
- C. Misleading DEUTSCH and the Class as to CHASE's motion for summary judgment and/or "quick judgment" and the affiant's personal knowledge as to the accuracy of the information contained in the affidavits;

*Shareholder Proposal of Neighborhood Economic Development Advocacy Project*  
*JPMorgan Chase & Co.*  
*Securities Exchange Act of 1934 Rule 14a-8*

**EXHIBIT E**



GENERAL ASSEMBLY MISSION COUNCIL

PRESBYTERIAN CHURCH (U.S.A.)

COMPASSION, PEACE AND JUSTICE

VIA OVERNIGHT DELIVERY

RECEIVED BY THE

November 4, 2010

NOV 05 2010

Mr. Anthony J. Horan, Senior Vice President and Corporate Secretary  
J. P. Morgan Chase & Company  
270 Park Avenue  
New York, NY 10017-2070

OFFICE OF THE SECRETARY

RE: Shareholder Proposal on Mortgage Servicing

Dear Mr. Horan:

I am writing on behalf of the Board of Pensions of the Presbyterian Church (USA), beneficial owner of 90 shares of J.P. Morgan Chase common stock through its General Assistance Account. Verification of ownership will be forwarded shortly by our master custodian, Mellon Bank.

The enclosed resolution is being filed for consideration and action at your 2011 Annual Meeting. In brief, the proposal requests J.P. Morgan Chase to develop and enforce policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others. Such policies would be subject to valid constraints of pooling and servicing agreements, and would be reported to shareholders by October 30, 2011. Consistent with Regulation 14A-12 of the Securities and Exchange (SEC) guidelines, please include our proposal in the proxy statement.

In accordance with SEC Regulation 14A-8, we continuously have held J.P. Morgan Chase shares totaling at least \$2,000 in market value for at least one year prior to the date of this filing. The SEC-required stock position of J.P. Morgan Chase will be maintained through the date of the 2011 Annual Meeting.

I understand that there may be co-filers to this resolution. We are authorized to act as the primary filer should J.P. Morgan Chase choose to engage in dialogue with the filers and co-filer as you have in the past. Should you wish to have such a conversation, please feel free to contact me. As the primary filer, I will gladly assist in finding a mutually agreeable date for the dialogue.

Sincerely yours,

*William Somplatsky-Jarman*

Rev. William Somplatsky-Jarman  
Coordinator for Social Witness Ministries

Enclosure: 2011 Shareholder Resolution on Mortgage Servicing

Cc: Rev. Brian Ellison, Chairperson  
Committee on Mission Responsibility Through Investment  
Mr. Conrad Rocha, Attorney at Law, and Vice Chairperson  
Committee on Mission Responsibility Through Investment

## **J. P. Morgan Chase Shareholder Resolution on Loan Servicing**

J.P. Morgan Chase (JPM) serviced \$1.35 trillion of single family housing loans on 30 June 2010, of which less than 20% of these serviced loans were owned by the corporation (portfolio loans), while the remaining more than 80% were loans serviced for others but primarily originated by JPM or one of its recent acquisitions.

Many borrowers, especially low income borrowers, are becoming delinquent because of the present economic crisis, causing losses to JPM as well as to the investors, who own the securitized loans serviced by JPM. To reduce defaults and subsequent losses, modifications are made to loans when the modification provides greater value to the owner of the loan than a foreclosure sale.

Investors filing this resolution want assurance that the modifications made to loans serviced for others are the same as modifications made to loans owned by the servicer, especially non-prime loans like subprime loans and Option ARMs, which were heavily promoted among lower income and minority borrowers.

In dialogues with investors, JPM has been unwilling to provide comparisons between its servicing of portfolio loans and loans serviced for others. In contrast, investor dialogues with a number of servicers such as Citigroup and Wells Fargo have provided more insight into such comparisons. Litton, a subprime and Alt-A servicer, stated that 95% of their loans serviced for others had no limitations on modifications.

The OCC-OTS Metrics Report, covering 65% of all servicing, has shown that principal reductions or deferrals result in more successful modifications for loans like Option ARMs, but the Report (2010Q2) shows that only 39.3% of modifications on loans serviced for others had term extensions, principal reductions and/or principal deferrals while 81.7% of servicer owned loan modifications had such modifications.

Among loans with the greatest percentages of delinquencies, our estimates of the minimum unpaid principal balances on 30 June 2010 are \$21.2 billion for JPM owned subprime loans and \$45.3 billion for subprime loans serviced for others. For option ARMs \$43.2 billion for JPM owned loans and \$38.6 billion for loans serviced for others.

The Department of Justice in January 2010 created the Fair Lending Unit to enforce fair lending laws in lending as well as loan modifications. JPM's regulator, the OCC, revised its Handbook on Fair Lending to include examination procedures that contain specific risk indicators of potential disparate treatment in loan servicing and loss mitigation.

We believe that JPM should carefully examine its servicing, comparing its performance on loans serviced for others to loans held in portfolio, to ensure equal treatment for loans of low income and minority borrowers in order to avoid possible reputational, litigation and financial risk.

**RESOLVED:** the shareholders request the Board of Directors to oversee development and enforcement of policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others, subject to valid constraints of pooling and servicing agreements, and report policies and results to shareholders by October 30, 2011.

# JPMORGAN CHASE & CO.

Anthony J. Horan  
Corporate Secretary  
Office of the Secretary

November 15, 2010

VIA OVERNIGHT DELIVERY

Rev. William Somplatsky-Jarman  
Coordinator for Social Witness Ministries  
Board of Pensions of the Presbyterian Church  
100 Witherspoon Street  
Louisville, KY 40202-1396

Dear Reverend Somplatsky-Jarman:

I am writing on behalf of JPMorgan Chase & Co. (JPMC), which received on November 5, 2010, from the Board of Pensions of the Presbyterian Church (USA) (the Church) the shareholder proposal titled "J.P. Morgan Chase Shareholder Resolution on Loan Servicing" for consideration at JPMC's 2011 Annual Meeting of Shareholders (Proposal).

The Proposal contains certain procedural deficiencies, as set forth below, which Securities and Exchange Commission (SEC) regulations require us to bring to your attention.

Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that each shareholder proponent must submit sufficient proof that he has continuously held at least \$2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for at least one year as of the date the shareholder proposal was submitted. JPMC's stock records do not indicate that the Church is the record owner of sufficient shares to satisfy this requirement. In addition, to date we have not received proof from the Church that they have satisfied Rule 14a-8's ownership requirements as of the date that the Proposal was submitted to JPMC.

To remedy this defect, you must submit sufficient proof of ownership of JPMC shares. As explained in Rule 14a-8(b), sufficient proof may be in the form of:

- a written statement from the "record" holder of the shares (usually a broker or a bank) verifying that, as of the date the Proposal was submitted, the Church continuously held the requisite number of JPMC shares for at least one year; or
- if the Church has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting ownership of JPMC shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any subsequent amendments reporting a change in the ownership level and a written statement that the Church continuously held the required number of shares for the one-year period.

The rules of the SEC require that a response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to

270 Park Avenue, New York, New York 10017-2070  
Telephone 212 270 7122 Facsimile 212 270 4240 [anthony.horan@chase.com](mailto:anthony.horan@chase.com)

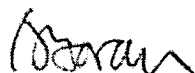
JPMorgan Chase & Co.

76742891

me at 270 Park Avenue, 38<sup>th</sup> Floor, New York NY 10017. Alternatively, you may transmit any response by facsimile to me at 212-270-4240. For your reference, please find enclosed a copy of SEC Rule 14a-8.

If you have any questions with respect to the foregoing, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Baran".

Enclosure: Rule 14a-8 of the Securities Exchange Act of 1934



## § 240.14a-8 Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) *Question 1: What is a proposal?* A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?* (1) In order to be eligible to submit a proposal, you must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d-101), Schedule 13G (§240.13d-102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) *Question 3: How many proposals may I submit?* Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) *Question 4: How long can my proposal be?* The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) *Question 5: What is the deadline for submitting a proposal?* (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?* (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a-8 and provide you with a copy under Question 10 below, §240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded?* Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8: Must I appear personally at the shareholders' meeting to present the proposal?* (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?* (1) Improper under state law: if the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law*: If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules*: If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest*: If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance*: If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority*: If the company would lack the power or authority to implement the proposal;

(7) *Management functions*: If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Relates to election*: If the proposal relates to a nomination or an election for membership on the company's board of directors or analogous governing body or a procedure for such nomination or election;

(9) *Conflicts with company's proposal*: If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented*: If the company has already substantially implemented the proposal;

(11) *Duplication*: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions*: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends:* If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10:* What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11:* May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12:* If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13:* What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-6.



**BNY MELLON**  
ASSET SERVICING

November 9, 2010

Mr. Anthony J. Horan ,Senior Vice President and Corporate Secretary  
J.P. Morgan Chase & Company  
270 Park Avenue  
New York, NY 10017-2070

Dear Mr. Horan,

This letter is to verify that the Board of Pensions of the Presbyterian Church (USA) is the beneficial owner of 90 shares of J.P. Morgan Chase & Company as of November 9, 2010. This Stock position is valued at over \$2,000.00, and has been held continuously for over one year prior to the date of the filing of the shareholder resolution.

**Security Name**  
JPMorgan Chase & CO

**Cusip**  
46625H100

**Ticker**  
JPM

Sincerely,

Terri Volz  
Officer, Asset Servicing  
Phone: 412-234-5338  
Fax: 412-236-9216  
Email: [Terri.Volz@bnymellon.com](mailto:Terri.Volz@bnymellon.com)

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NOV 16 2010

OFFICE OF THE SECRETARY

Bank of New York Mellon  
One Mellon Center  
Aim 151-1015  
Pittsburgh, PA 15258



# Facsimile Transmission

Attention: Anthony Horan Fax #: 212/270-4240  
 Location: JPMorgan Chase Telephone #: \_\_\_\_\_  
 Subject: Verification of Ownership Letter



Sender: Allyn Schadt for Wm. Somplatsky-Jarman

Sender Telephone #: 502/569-5807

Sender Fax #: (502) 589-8116

100 WITHERSPOON STREET, LOUISVILLE, KY 40202-1396 ROOM # \_\_\_\_\_

You should receive 2 pages, including this cover sheet.. If you do not receive all the pages, please call the number above.

**COMMENTS:**

*Attached is the verification of ownership letter referred to in your letter to Rev. Somplatsky-Jarman dated Nov. 15, 2010. This letter was sent by First Class mail. Please let us know if you would like the letter resent in an overnight envelope. Thank you.*



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 NOV 16 2010  
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Bank of New York Mellon  
 One Mellon Center  
 Ajm 151-1015  
 Pittsburgh, PA 15258

November 9, 2010

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 270 Park Avenue  
 New York, NY 10017-2070

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|                      |              |               |
|----------------------|--------------|---------------|
| <b>Security Name</b> | <b>Cusip</b> | <b>Ticker</b> |
| JPMorgan Chase & CO  | 46625H100    | JPM           |

Sincerely,

Terri Volz  
 Officer, Asset Servicing  
 Phone: 412-234-5338  
 Fax: 412-236-9216  
 Email: [Terri.Volz@bnymellon.com](mailto:Terri.Volz@bnymellon.com)





Walden Asset Management  
*Investing for a better change since 1953*

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OFFICE OF THE SECRETARY

November 4, 2010

Mr. Anthony Horan  
Corporate Secretary  
JPMorgan Chase & Co.  
270 Park Avenue, 38<sup>th</sup> floor  
New York, NY 10017

Dear Mr. Horan:

Walden Asset Management (Walden) holds at least 185,000 shares of JPMorgan Chase & Co. stock on behalf of clients who ask us to integrate environmental, social and governance analysis (ESG) into investment decision-making. We are pleased to be a long-term investor in JPMorgan Chase, noting particularly the company's leadership on workforce diversity and various environmental policies and initiatives. A division of Boston Trust & Investment Management Company, Walden has approximately \$1.9 billion in assets under management.

Walden believes that the mortgage foreclosure crisis remains a critical business issue for JPMorgan Chase; one that also comes with enormous human costs. Unfortunately, progress on loan modifications industry-wide has been very disappointing. We have followed closely JPMorgan Chase's conversations with concerned investors, led by William Somplatsky-Jarman (Presbyterian Church, USA) and consultant John Lind of CANICCOR, addressing its loan modification experiences, progress and challenges. We are interested in learning more about mortgage modifications for the company's serviced loans, which comprise the vast majority of its single family housing loans.

Thus Walden Asset Management is co-filing the attached resolution, led by Mr. Somplatsky-Jarman of the Presbyterian Church (USA), requesting the development of policies to ensure that the same loan modification methods for similar loan types are applied uniformly to loans owned by the company and those serviced for others.

We are filing the enclosed shareholder proposal for inclusion in the 2011 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Walden Asset Management is the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of the above mentioned number of JPMorgan Chase shares. We have been a shareholder of JPMorgan Chase for more than one year and will continue to hold a minimum of \$2,000 of stock through the next annual meeting. Verification of our ownership position is enclosed. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We look forward to participating in a constructive dialogue on JPMorgan Chase's response to foreclosures.

Sincerely,

Heidi Soumerai  
Senior Vice President  
Enc: Shareholder resolution

A Division of Boston Trust & Investment Management Company

One Beakon Street Boston, Massachusetts 02108 617.720.7250 or 800.282.8782 Fax: 617.227.3664

## **J. P. Morgan Chase Shareholder Resolution on Loan Servicing**

J.P. Morgan Chase (JPM) serviced \$1.35 trillion of single family housing loans on 30 June 2010, of which less than 20% of these serviced loans were owned by the corporation (portfolio loans), while the remaining more than 80% were loans serviced for others but primarily originated by JPM or one of its recent acquisitions.

Many borrowers, especially low income borrowers, are becoming delinquent because of the present economic crisis, causing losses to JPM as well as to the investors, who own the securitized loans serviced by JPM. To reduce defaults and subsequent losses, modifications are made to loans when the modification provides greater value to the owner of the loan than a foreclosure sale.

Investors filing this resolution want assurance that the modifications made to loans serviced for others are the same as modifications made to loans owned by the servicer, especially non-prime loans like subprime loans and Option ARMs, which were heavily promoted among lower income and minority borrowers.

In dialogues with investors, JPM has been unwilling to provide comparisons between its servicing of portfolio loans and loans serviced for others. In contrast, investor dialogues with a number of servicers such as Citigroup and Wells Fargo have provided more insight into such comparisons. Litton, a subprime and Alt-A servicer, stated that 95% of their loans serviced for others had no limitations on modifications.

The OCC-OTS Metrics Report, covering 65% of all servicing, has shown that principal reductions or deferrals result in more successful modifications for loans like Option ARMs, but the Report (2010Q2) shows that only 39.3% of modifications on loans serviced for others had term extensions, principal reductions and/or principal deferrals while 81.7% of servicer owned loan modifications had such modifications.

Among loans with the greatest percentages of delinquencies, our estimates of the minimum unpaid principal balances on 30 June 2010 are \$21.2 billion for JPM owned subprime loans and \$45.3 billion for subprime loans serviced for others. For option ARMs \$43.2 billion for JPM owned loans and \$38.6 billion for loans serviced for others.

The Department of Justice in January 2010 created the Fair Lending Unit to enforce fair lending laws in lending as well as loan modifications. JPM's regulator, the OCC, revised its Handbook on Fair Lending to include examination procedures that contain specific risk indicators of potential disparate treatment in loan servicing and loss mitigation.

We believe that JPM should carefully examine its servicing, comparing its performance on loans serviced for others to loans held in portfolio, to ensure equal treatment for loans of low income and minority borrowers in order to avoid possible reputational, litigation and financial risk.

**RESOLVED:** the shareholders request the Board of Directors to oversee development and enforcement of policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others, subject to valid constraints of pooling and servicing agreements, and report policies and results to shareholders by October 30, 2011.



Walden Asset Management  
*Investment Management Since 1955*

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OFFICE OF THE SECRETARY

Mr. Anthony Horan  
Corporate Secretary  
JPMorgan Chase & Co.  
270 Park Avenue, 38<sup>th</sup> floor  
New York, NY 10017

November 4, 2010

Dear Mr. Cutler:

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Sincerely,

Heidi Soumerai  
Senior Vice President  
Enc: Shareholder resolution

A Division of Boston Trust & Investment Management Company

One Beacon Street, Boston, Massachusetts 02108 617.735.7150 or 800.282.8782 Fax 617.227.5654

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**RESOLVED:** the shareholders request the Board of Directors to oversee development and enforcement of policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others, subject to valid constraints of pooling and servicing agreements, and report policies and results to shareholders by October 30, 2011.

# JPMORGAN CHASE & CO.

Anthony J. Horan  
Corporate Secretary  
Office of the Secretary


November 15, 2010

Ms. Heidi Soumerai  
Senior Vice President  
Walden Asset Management  
One Beacon Street  
Boston Mass 02108

Dear Ms. Soumerai:

This will acknowledge receipt of a letter dated November 4, 2010, whereby you advised JPMorgan Chase & Co. of the intention of Walden Asset Management to submit a proposal, entitled "J.P. Morgan Chase Shareholder Resolution on Loan Servicing" to be voted upon at our 2011 Annual Meeting.

Sincerely,



270 Park Avenue, New York, New York 10017-2070  
Telephone 212 270 7122 Facsimile 212 270 4240 [anthony.horan@chase.com](mailto:anthony.horan@chase.com)

JPMorgan Chase & Co.

76743785





Catholic Healthcare West

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November 8, 2010

OFFICE OF THE SECRETARY

Mr. Anthony J. Horan, Senior Vice President and Corporate Secretary  
J. P. Morgan Chase & Company  
270 Park Avenue  
New York, NY 10017-2070

Re: **Shareholder Proposal** for 2011 Annual Meeting

Dear Mr. Horan:

Catholic Healthcare West (CHW) is a health care delivery system serving communities in the western United States. As a religiously sponsored organization, CHW seeks to reflect its values, principles and mission in its investment decisions.

Catholic Healthcare West has held the required number of shares for at least a year and we intend to maintain ownership through the date of the annual meeting. Verification of ownership will be provided upon request.

We present the attached resolution for inclusion in the proxy statement for action at the annual meeting in 2011 in accordance with rule 14a-8 of the general rules and regulations of the Securities and Exchange Act of 1934. We request that Catholic Healthcare West be listed as a sponsor of this resolution in the company proxy statement. There will be a representative present at the annual meeting to present this resolution as required by SEC rules. We are filing this resolution along with other concerned investors. Rev. William Somplatsky-Jarman, Presbyterian Church (USA), will serve as the primary contact.

We would welcome dialogue with representatives of our company, which might lead to withdrawal of the resolution prior to the 2011 annual meeting.

Sincerely,

Susan Vickers, RSM  
VP Community Health

Encl.

Cc: Rev. William Somplatsky-Jarman, Presbyterian Church (USA)  
Julie Wokaty, ICCR

## **J. P. Morgan Chase Shareholder Resolution on Loan Servicing**

J.P. Morgan Chase (JPM) serviced \$1.35 trillion of single family housing loans on 30 June 2010, of which less than 20% of these serviced loans were owned by the corporation (portfolio loans), while the remaining more than 80% were loans serviced for others but primarily originated by JPM or one of its recent acquisitions.

Many borrowers, especially low income borrowers, are becoming delinquent because of the present economic crisis, causing losses to JPM as well as to the investors, who own the securitized loans serviced by JPM. To reduce defaults and subsequent losses, modifications are made to loans when the modification provides greater value to the owner of the loan than a foreclosure sale.

Investors filing this resolution want assurance that the modifications made to loans serviced for others are the same as modifications made to loans owned by the servicer, especially non-prime loans like subprime loans and Option ARMs, which were heavily promoted among lower income and minority borrowers.

In dialogues with investors, JPM has been unwilling to provide comparisons between its servicing of portfolio loans and loans serviced for others. In contrast, investor dialogues with a number of servicers such as Citigroup and Wells Fargo have provided more insight into such comparisons. Litton, a subprime and Alt-A servicer, stated that 95% of their loans serviced for others had no limitations on modifications.

The OCC-OTS Metrics Report, covering 65% of all servicing, has shown that principal reductions or deferrals result in more successful modifications for loans like Option ARMs, but the Report (2010Q2) shows that only 39.3% of modifications on loans serviced for others had term extensions, principal reductions and/or principal deferrals while 81.7% of servicer owned loan modifications had such modifications.

Among loans with the greatest percentages of delinquencies, our estimates of the minimum unpaid principal balances on 30 June 2010 are \$21.2 billion for JPM owned subprime loans and \$45.3 billion for subprime loans serviced for others. For option ARMs \$43.2 billion for JPM owned loans and \$38.6 billion for loans serviced for others.

The Department of Justice in January 2010 created the Fair Lending Unit to enforce fair lending laws in lending as well as loan modifications. JPM's regulator, the OCC, revised its Handbook on Fair Lending to include examination procedures that contain specific risk indicators of potential disparate treatment in loan servicing and loss mitigation.

We believe that JPM should carefully examine its servicing, comparing its performance on loans serviced for others to loans held in portfolio, to ensure equal treatment for loans of low income and minority borrowers in order to avoid possible reputational, litigation and financial risk.

**RESOLVED:** the shareholders request the Board of Directors to oversee development and enforcement of policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others, subject to valid constraints of pooling and servicing agreements, and report policies and results to shareholders by October 30, 2011.



# JPMORGAN CHASE & CO.

Anthony J. Horan  
Corporate Secretary  
Office of the Secretary

November 15, 2010

## VIA OVERNIGHT DELIVERY

Susan Vickers, RSM  
Vice President Community Health  
Catholic Healthcare West  
185 Berry Street, Suite 300  
San Francisco, CA 94107

Dear Sister Susan:

I am writing on behalf of JPMorgan Chase & Co. (JPMC), which received on November 8, 2010, from Catholic Healthcare West (CHW) the shareholder proposal titled "J.P. Morgan Chase Shareholder Resolution on Loan Servicing" for consideration at JPMC's 2011 Annual Meeting of Shareholders (Proposal).

The Proposal contains certain procedural deficiencies, as set forth below, which Securities and Exchange Commission (SEC) regulations require us to bring to your attention.

Rule 14a-8(b) under the Securities Exchange Act of 1934, as amended, provides that each shareholder proponent must submit sufficient proof that he has continuously held at least \$2,000 in market value, or 1%, of a company's shares entitled to vote on the proposal for at least one year as of the date the shareholder proposal was submitted. JPMC's stock records do not indicate that CHW is the record owner of sufficient shares to satisfy this requirement. In addition, to date we have not received proof from CHW that they have satisfied Rule 14a-8's ownership requirements as of the date that the Proposal was submitted to JPMC.

To remedy this defect, you must submit sufficient proof of ownership of JPMC shares. As explained in Rule 14a-8(b), sufficient proof may be in the form of:

- a written statement from the "record" holder of the shares (usually a broker or a bank) verifying that, as of the date the Proposal was submitted, CHW continuously held the requisite number of JPMC shares for at least one year; or
- if CHW has filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting ownership of JPMC shares as of or before the date on which the one-year eligibility period begins, a copy of the schedule and/or form, and any

270 Park Avenue, New York, New York 10017-2070  
Telephone 212 270 7122 Facsimile 212 270 4240 [anthony.horan@chase.com](mailto:anthony.horan@chase.com)

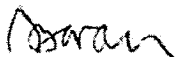
JPMorgan Chase & Co.

subsequent amendments reporting a change in the ownership level and a written statement that CHW continuously held the required number of shares for the one-year period.

The rules of the SEC require that a response to this letter be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter. Please address any response to me at 270 Park Avenue, 38<sup>th</sup> Floor, New York NY 10017. Alternatively, you may transmit any response by facsimile to me at 212-270-4240. For your reference, please find enclosed a copy of SEC Rule 14a-8.

If you have any questions with respect to the foregoing, please contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bran".

Enclosure: Rule 14a-8 of the Securities Exchange Act of 1934

## § 240.14a-8 Shareholder proposals.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures. Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to "you" are to a shareholder seeking to submit the proposal.

(a) *Question 1: What is a proposal?* A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word "proposal" as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2: Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible?* (1) In order to be eligible to submit a proposal, you must have continuously held at least \$2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders. However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the "record" holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d-101), Schedule 13G (§240.13d-102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) *Question 3: How many proposals may I submit?* Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) *Question 4: How long can my proposal be?* The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) *Question 5: What is the deadline for submitting a proposal?* (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6: What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section?* (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response. Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240.14a-8 and provide you with a copy under Question 10 below, §240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7: Who has the burden of persuading the Commission or its staff that my proposal can be excluded?* Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8: Must I appear personally at the shareholders' meeting to present the proposal?* (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9: If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal?* (1) Improper under state law; if the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

Note to paragraph (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law*: If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

Note to paragraph (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules*: If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest*: If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance*: If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority*: If the company would lack the power or authority to implement the proposal;

(7) *Management functions*: If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Relates to election*: If the proposal relates to a nomination or an election for membership on the company's board of directors or analogous governing body or a procedure for such nomination or election;

(9) *Conflicts with company's proposal*: If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented*: If the company has already substantially implemented the proposal;

(11) *Duplication*: If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions*: If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends:* If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10:* What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11:* May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12:* If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13:* What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement.

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti-fraud rule, §240.14a-9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims. Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-8.



Catholic Healthcare West

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OFFICE OF THE SECRETARY

November 22, 2010

Anthony J. Horan  
JP Morgan Chase & Co.  
270 Park Avenue  
New York, NY 10017-2070

Dear Mr. Horan:

Please find enclosed as requested the proof of stock ownership from Catholic Healthcare West. Catholic Healthcare West will continue to hold ownership of this stock through the scheduled 2011 Shareholder Meeting.

Sincerely,

Susan Vickers, RSM

VP, Community Health  
Catholic Healthcare West



STATE STREET  
GLOBAL SERVICES

RECEIVED BY THE

NOV 29 2010

OFFICE OF THE SECRETARY

State Street Global Services

Enn Rodriguez  
Vice President  
444 S. Flower Street  
Suite 4500  
Los Angeles, CA 90071

Telephone 213-362-7371  
Facsimile 213-362-7330

[erodriguez@statestreet.com](mailto:erodriguez@statestreet.com)

November 16, 2010

Sr. Susan Vickers  
VP Community Health  
Catholic Healthcare West  
185 Berry Street, Suite 300  
San Francisco, CA 94107  
Fax #415-591-2404

Re: Stock Verification Letter

Dear Susan:

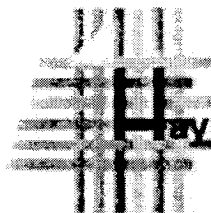
Please accept this letter as confirmation that Catholic Healthcare West has owned at least 200 shares or \$2,000.00 of the following securities from November 8, 2009 - November 8, 2010. The November 8, 2010 share positions are listed below:

| Security        | CUSIP     | Shares  |
|-----------------|-----------|---------|
| JP Morgan Chase | 46625H100 | 452,775 |

Please let me know if you have any questions.

Regards,





**Haymarket People's Fund**  
42 Seaverns Avenue  
Boston, MA 02130

RECEIVED BY THE

NOV 22 2010

OFFICE OF THE SECRETARY

November 16, 2010

Mr. Anthony Horan  
Corporate Secretary  
JPMorgan Chase & Co.  
270 Park Avenue, 38<sup>th</sup> floor  
New York, NY 10017

Dear Mr. Horan:

Haymarket People's Fund holds 400 shares of JPMorgan Chase & Co. stock. Since 1974, our foundation has provided funds and support to grassroots groups working for economic and social justice in New England. We believe that companies with a commitment to customers, employees, communities and the environment will prosper long-term.

We are submitting the enclosed shareholder proposal as a co-sponsor for inclusion in the 2011 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. We are the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of the above mentioned number of JPMorgan Chase shares.

We have been a continuous shareholder for more than one year and verification of our ownership position is enclosed. We will continue to hold at least \$2,000 worth of JPMorgan Chase stock through the stockholder meeting. A representative of the filers will attend the stockholders' meeting to move the resolution as required by SEC rules.

We consider Presbyterian Church as the "primary filer" of this resolution, and ourselves as a co-filer. Please copy correspondence both to me and Timothy Smith at Walden Asset Management ([tsmith@bostontrust.com](mailto:tsmith@bostontrust.com)) our investment manager. We look forward to your response.

Sincerely,

*Louise Profumo / RPH*  
Louise Profumo

## **J. P. Morgan Chase Shareholder Resolution on Loan Servicing**

J.P. Morgan Chase (JPM) serviced \$1.35 trillion of single family housing loans on 30 June 2010, of which less than 20% of these serviced loans were owned by the corporation (portfolio loans), while the remaining more than 80% were loans serviced for others but primarily originated by JPM or one of its recent acquisitions.

Many borrowers, especially low income borrowers, are becoming delinquent because of the present economic crisis, causing losses to JPM as well as to the investors, who own the securitized loans serviced by JPM. To reduce defaults and subsequent losses, modifications are made to loans when the modification provides greater value to the owner of the loan than a foreclosure sale.

Investors filing this resolution want assurance that the modifications made to loans serviced for others are the same as modifications made to loans owned by the servicer, especially non-prime loans like subprime loans and Option ARMs, which were heavily promoted among lower income and minority borrowers.

In dialogues with investors, JPM has been unwilling to provide comparisons between its servicing of portfolio loans and loans serviced for others. In contrast, investor dialogues with a number of servicers such as Citigroup and Wells Fargo have provided more insight into such comparisons. Litton, a subprime and Alt-A servicer, stated that 95% of their loans serviced for others had no limitations on modifications.

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The Department of Justice in January 2010 created the Fair Lending Unit to enforce fair lending laws in lending as well as loan modifications. JPM's regulator, the OCC, revised its Handbook on Fair Lending to include examination procedures that contain specific risk indicators of potential disparate treatment in loan servicing and loss mitigation.

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**RESOLVED:** the shareholders request the Board of Directors to oversee development and enforcement of policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others, subject to valid constraints of pooling and servicing agreements, and report policies and results to shareholders by October 30, 2011.



Boston Trust & Investment  
Management Company

RECEIVED BY THE

NOV 22 2010

OFFICE OF THE SECRETARY

November 16, 2010

To Whom It May Concern:

Boston Trust & Investment Management Company, a state chartered bank under the Commonwealth of Massachusetts, and insured by the FDIC, manages assets and acts as custodian for the **Haymarket People's Fund** through its Walden Asset Management division.

We are writing to verify that **Haymarket People's Fund** currently owns **400** shares of **JPMorgan Chase & Co.** (Cusip #46625H100). These shares are held in the name of Cede & Co. under the custodianship of Boston Trust and reported as such to the SEC via the quarterly filing by Boston Trust of Form 13F.

We confirm that **Haymarket People's Fund** has continuously owned and has beneficial ownership of at least \$2,000 in market value of the voting securities of **JPMorgan Chase & Co.** and that such beneficial ownership has existed for one or more years in accordance with rule 14a-8(a)(1) of the Securities Exchange Act of 1934.

Further, it is the intent to hold at least \$2,000 in market value through the next annual meeting.

Should you require further information, please contact Regina Morgan at 617-726-7259 or [rmorgan@bostontrust.com](mailto:rmorgan@bostontrust.com) directly.

Sincerely,

Timothy Smith  
Senior Vice President  
Boston Trust & Investment Management Company  
Walden Asset Management

# JPMORGAN CHASE & CO.

Anthony J. Horan  
Corporate Secretary  
Office of the Secretary

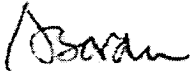
November 23, 2010

Ms. Louise Profumo  
Haymarket People's Fund  
42 Seaverns Avenue  
Boston, MA 02130

Dear Ms. Profumo:

This will acknowledge receipt of a letter dated November 16, 2010, whereby you advised JPMorgan Chase & Co. of your intention to submit a proposal, as co-filer with the Presbyterian Church, titled "J.P. Morgan Chase Shareholder Resolution on Loan Servicing" to be voted upon at our 2011 Annual Meeting.

Sincerely,



cc: Timothy Smith – Walden Asset Management

270 Park Avenue, New York, New York 10017-2070  
Telephone 212 270 7122 Facsimile 212 270 4240 [anthony.horan@chase.com](mailto:anthony.horan@chase.com)

JPMorgan Chase & Co.

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RECEIVED BY THE  
NOV 22 2010  
OFFICE OF THE SECRETARY

November 19, 2010

James Dimon, CEO  
JPMorgan Chase  
270 Park Avenue  
NY NY 10017-2070

Dear Mr. Dimon:

On behalf of Mercy Investment Services, I am authorized to submit the following resolution which requests the Board of Directors to oversee development and enforcement of policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others, subject to valid constraints of pooling and servicing agreements, and report policies and results to shareholders by October 30, 2011, for inclusion in the 2011 proxy statement under Rule 14 a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Mercy Investment Services is sponsoring this resolution with the Presbyterian Church USA. Additional investors associated with the Interfaith Center on Corporate Responsibility also may file this resolution.

Mercy Investment Services has been engaged with JPMorgan Chase on fair lending policies and practices for many years. CRA, predatory lending and mortgage servicing are major affordable housing and justice issues for the finance and banking industries. The current credit crisis does not appear to be lessening for home buyers or home owners desiring to refinance. We urge attention to our resolution requests.

Mercy Investment Services is the beneficial owner of 54,710 shares of JPMorgan Chase stock. Verification of ownership follows. We plan to hold the stock at least until the time of the annual meeting and will be present in person or by proxy at that meeting.

Yours truly,

*Valerie Heinonen*

Valerie Heinonen, o.s.u.  
Director, Shareholder Advocacy  
205 Avenue C, #10E ~ New York, NY 10009  
212-674-2542 [heinonenv@juno.com](mailto:heinonenv@juno.com)

*Susan S. Makos*

Susan Smith Makos  
Director of Social Responsibility  
Mercy Investment Services, Inc.  
513-673-9992  
[smakos@sistersofmercy.org](mailto:smakos@sistersofmercy.org)

## **J. P. Morgan Chase Shareholder Resolution on Loan Servicing**

J.P. Morgan Chase (JPM) serviced \$1.35 trillion of single family housing loans on 30 June 2010, of which less than 20% of these serviced loans were owned by the corporation (portfolio loans), while the remaining more than 80% were loans serviced for others but primarily originated by JPM or one of its recent acquisitions.

Many borrowers, especially low income borrowers, are becoming delinquent because of the present economic crisis, causing losses to JPM as well as to the investors, who own the securitized loans serviced by JPM. To reduce defaults and subsequent losses, modifications are made to loans when the modification provides greater value to the owner of the loan than a foreclosure sale.

Investors filing this resolution want assurance that the modifications made to loans serviced for others are the same as modifications made to loans owned by the servicer, especially non-prime loans like subprime loans and Option ARMs, which were heavily promoted among lower income and minority borrowers.

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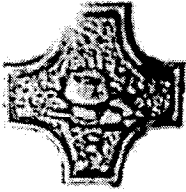
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The Department of Justice in January 2010 created the Fair Lending Unit to enforce fair lending laws in lending as well as loan modifications. JPM's regulator, the OCC, revised its Handbook on Fair Lending to include examination procedures that contain specific risk indicators of potential disparate treatment in loan servicing and loss mitigation.

We believe that JPM should carefully examine its servicing, comparing its performance on loans serviced for others to loans held in portfolio, to ensure equal treatment for loans of low income and minority borrowers in order to avoid possible reputational, litigation and financial risk.

**RESOLVED:** the shareholders request the Board of Directors to oversee development and enforcement of policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others, subject to valid constraints of pooling and servicing agreements, and report policies and results to shareholders by October 30, 2011.



**Congregation of Benedictine Sisters of Perpetual Adoration**

Finance Office

31970 State Highway P, Clyde, MO 64432-8100

Phone: (660) 944-2251 Fax: (660) 944-2202

November 26, 2010

RECEIVED BY THE

NOV 30 2010

SECRETARY

Anthony J. Horan  
Corporate Secretary  
JP Morgan Chase & Co.  
270 Park Avenue  
New York, New York 10017-2070

Dear Mr. Horan:

I am writing you on behalf of Benedictine Convent of Perpetual Adoration in support the stockholder resolution on Loan Servicing. In brief, the proposal requests the Board of Directors to oversee development and enforcement of policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others, subject to valid constraints of pooling and servicing agreements, and report policies and results to shareholders by October 30, 2011.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal with Presbyterian Church (USA) for consideration and action by the shareholders at the 2011 Annual Meeting. I hereby submit it for inclusion in the proxy statement for consideration and action by the shareholders at the 2011 annual meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. A representative of the shareholders will attend the annual meeting to move the resolution as required by SEC rules.

We are the owners of 3,040 shares of JP Morgan Chase & Co. stock and intend to hold \$2,000 worth through the date of the 2011 Annual Meeting. Verification of ownership will follow.

We truly hope that the company will be willing to dialogue with the filers about this proposal. Please note that the contact person for this resolution/proposal will be: Rev. William Somplatsky-Jarman of the Presbyterian Church (USA) at 502-569-5809 or at [bill.somplatsky-jarman@pcusa.org](mailto:bill.somplatsky-jarman@pcusa.org).

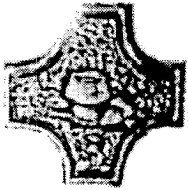
Respectfully yours,

*A. Valerie Stark, OSB*

Sr. Valerie Stark, O.S.B.  
Treasurer

Enclosure: 2011 Shareholder Resolution





## ***Congregation of Benedictine Sisters of Perpetual Adoration***

*Finance Office*

*31970 State Highway P, Clyde, MO 64432-8100*

*Phone: (660) 944-2251 Fax: (660) 944-2202*

### **Loan Servicing 2011 – J.P. Morgan Chase & Co.**

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"Change. Not Charity."

666 Broadway, Suite #500  
New York, NY 10012  
212.529.5300  
Fax: 212.982.9272  
E-mail: [fexexc@aol.com](mailto:fexexc@aol.com)  
<http://www.fex.org>

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DEC 01 2010

OFFICE OF THE SECRETARY

November 23, 2010

**MEMBERSHIP**

- Appalachian Community Fund  
Knoxville, TN
- Bread and Roses Community Fund  
Philadelphia, PA
- Chinook Fund  
Denver, CO
- Crossroads Fund  
Chicago, IL
- Fund for Santa Barbara  
Santa Barbara, CA
- Fund for Southern Communities  
Atlanta, GA
- Haymarket People's Fund  
Boston, MA
- Headwaters Fund  
Minneapolis, MN
- Liberty Hill Foundation  
Los Angeles, CA
- The People's Fund  
Honolulu, HI
- McKenzie River Gathering  
Foundation  
Portland/Eugene, OR
- North Star Fund  
New York, NY
- Three Rivers Community Fund  
Pittsburgh, PA
- Vanguard Public Foundation  
San Francisco, CA
- Wisconsin Community Fund  
Madison/Milwaukee, WI

Mr. Anthony Horan  
Corporate Secretary  
JPMorgan Chase & Co.  
270 Park Avenue, 38<sup>th</sup> floor  
New York, NY 10017

Dear Mr. Horan:

The Funding Exchange holds 2,000 shares of JPMorgan Chase stock. The Funding Exchange is a network of regionally-based community foundations that currently makes grants each year for projects related to social and economic justice. We believe that companies with a commitment to customers, employees, communities and the environment will prosper long-term.

Therefore, we are submitting the enclosed shareholder proposal for inclusion in the 2011 proxy statement as co-filer with the Presbyterian Church as the primary filer, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. The Funding Exchange is the beneficial owner, as defined in Rule 13d-3 of the Securities Exchange Act of 1934, of the above mentioned number of shares. We have been a continuous shareholder for more than one year and will hold at least \$2,000 of JPMorgan Chase stock through the next annual meeting and verification of our ownership position is enclosed. A representative of the filers will attend the stockholders' meeting to move the resolution as required by the SEC rules.

We look forward to hearing from you. We would appreciate it if you would please copy us and Walden Asset Management on all correspondence related to this matter. Timothy Smith at Walden Asset Management is serving as the primary contact for us ([tsmith@bostontrust.com](mailto:tsmith@bostontrust.com)) our investment manager.

Thank you.

Sincerely,

*Ron Hanft*  
Ron Hanft  
Associate Director

**NATIONAL GRANTS PROGRAMS**

- Donor-Advised Funds
- OUT Fund for  
Lesbian and Gay Liberation
- Paul Robeson Fund for  
Independent Media
- Saguaro Fund

Cc: Timothy Smith, Walden Asset Management

## **J. P. Morgan Chase Shareholder Resolution on Loan Servicing**

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4550 Montgomery Avenue, Bethesda, MD 20814  
301.951.4800 / [www.calvert.com](http://www.calvert.com)

November 29, 2010

Mr. Anthony J. Horan  
Secretary  
J.P. Morgan Chase & Co.  
270 Park Avenue  
New York, NY 10017-2070

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DEC 01 2010

OFFICE OF THE SECRETARY

Dear Mr. Horan:

Calvert Asset Management Company, Inc. ("Calvert"), a registered investment advisor, provides investment advice for the 51 mutual funds sponsored by Calvert Group, Ltd., including 24 funds that apply sustainability criteria. Calvert currently has over \$14 billion in assets under management.

The Calvert Social Index Fund is a beneficial owner of over \$2000 in market value of securities entitled to be voted at the next shareholder meeting (supporting documentation available upon request). Furthermore, the Fund has held these securities continuously for at least one year, and it is Calvert's intention that the Fund continues to own shares in J.P. Morgan Chase through the date of the 2011 annual meeting of shareholders.

We are notifying you, in a timely manner, that Calvert, on behalf of the Fund, is presenting the enclosed shareholder proposal for vote at the upcoming stockholders meeting. We submit it for inclusion in the proxy statement in accordance with Rule 14a-8 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.14a-8).

As a long-standing shareholder, we are filing the enclosed resolution requesting our Board of Directors to oversee the development and enforcement of policies to ensure loan modifications are applied uniformly.

We understand that Rev. William Somplatsky-Jarman, on behalf of the Presbyterian Church (USA), is submitting an identical proposal. Calvert recognizes Presbyterian Church (USA) as the lead filer and intends to act as a co-sponsor of the resolution. Rev. Somplatsky-Jarman has agreed to coordinate contact between J.P. Morgan Chase management and any other shareholders filing the proposal, including Calvert. However, Calvert would like to receive copies of all correspondence sent to Rev. Somplatsky-Jarman as it relates to the proposal. In this regard, Shirley Peoples, Senior Sustainability Analyst, will represent Calvert. Please feel free to contact her at (301) 951-4817 or via email at [shirley.peoples@calvert.com](mailto:shirley.peoples@calvert.com).

We appreciate your attention to this matter and look forward to working with you.

Sincerely,

A handwritten signature in cursive script that reads "Ivy Wafford Duke".

Ivy Wafford Duke  
Assistant Vice President

cc: James Dimon, CEO, J.P. Morgan Chase  
William Somplatsky-Jarman, Presbyterian Church (USA)  
Bennett Freeman, Senior Vice President for Social Research and Policy,  
Calvert Asset Management Company, Inc.  
Stu Dalheim, Manager of Advocacy, Calvert Asset Management Company,  
Inc.  
Shirley Peoples, Senior Sustainability Analyst, Calvert Asset Management  
Company, Inc.

Encl: Resolution Text

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**Board of Pensions**  
**Evangelical Lutheran Church in America**  
God's work. Our hands.

800 Marquette Ave., Suite 1050  
Minneapolis, MN 55402-2892  
(800) 352-2876 • (612) 333-7651  
Fax: (612) 334-5399  
mail@elcabop.org • www.elcabop.org

**VIA OVERNIGHT DELIVERY**

November 29, 2010

Anthony J. Horan  
Senior Vice President and Corporate Secretary  
J.P. Morgan Chase & Company  
270 Park Avenue  
New York, NY 10017-2070

RECEIVED BY THE  
DEC 01 2010  
OFFICE OF THE SECRETARY

Dear Mr. Horan,

As a faith-based pension plan and institutional investor, the Board of Pensions of the Evangelical Lutheran Church in America (ELCA) believes it is possible to positively impact shareholder value while at the same time aligning with the values, principles and mission of the ELCA. We believe that corporations need to promote positive corporate policies including loan servicing reporting.

The ELCA Board of Pensions is beneficial owner of over 922,000 shares of J.P. Morgan common stock. A letter of ownership verification from the custodian of our portfolio will follow under separate cover. We have been a shareholder of more than \$2,000 of common stock for over one year, and we intend to maintain a requisite ownership position through the 2011 annual meeting of shareholders.

Enclosed is a shareholder proposal requesting that J.P. Morgan issue a report describing its policies to ensure that the same loan modification methods for similar loan types are applied uniformly to both loans owned by the corporation and those serviced for others, subject to valid constraints. According to SEC Rule 14a-8, we ask that this resolution be included in the proxy materials for the 2011 annual meeting of shareholders. Should the Board of Directors choose to oppose the resolution, we ask that our supporting statement be included as well in the proxy materials. The Board of Pensions of the Presbyterian Church (USA) is the primary filer on this resolution.

The Board of Pensions of the Presbyterian Church (USA) will continue as the lead shareholder, and is prepared to assemble the dialogue team as quickly as convenient. If you have any questions, please contact Kurt Kreienbrink, Corporate Governance Analyst for the ELCA Board of Pensions, at 612-752-4253.

Sincerely,

Curtis G. Fee, CFA  
Vice President, Chief Investment Officer  
ELCA Board of Pensions

CC: Kelli Dever – Mellon  
Global Security Services  
135 Santilli Highway  
Everett, MA 02149



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OFFICE OF THE SECRETARY

November 30, 2010

Anthony J. Horan  
Senior Vice President and Corporate Secretary  
J.P. Morgan Chase & Company  
270 Park Avenue  
New York, NY 10017-2070

Dear Mr. Horan,

This letter is to confirm that Bank of New York Mellon, custodian for the Board of Pensions of the Evangelical Lutheran Church in America (ELCA), has held 646,280 shares of J.P. Morgan common stock for over one year.

As of this date, the ELCA - Board of Pensions intends to hold its shares of J.P. Morgan common stock through the date of your next annual meeting.

If you have any questions, please call me at (617) 382-6624.

Sincerely,

A handwritten signature in cursive script that reads "Kelli Dever".

Kelli Dever  
Vice President  
Client Services

CC: Curtis G. Fee, CFA  
ELCA - Board of Pensions  
800 Marquette Ave., Suite 1050  
Minneapolis, MN 55402-2892

*Shareholder Proposal of Neighborhood Economic Development Advocacy Project*  
*JPMorgan Chase & Co.*  
*Securities Exchange Act of 1934 Rule 14a-8*

**EXHIBIT F**

# American Federation of Labor and Congress of Industrial Organizations



815 Sixteenth Street, N.W.  
Washington, D.C. 20008  
(202) 637-5000  
www.aflcio.org

## EXECUTIVE COUNCIL

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PRESIDENT

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Michael Goodwin  
Michael J. Sullivan  
Clyde Rivers  
James Williams  
Larry Cohen  
Robbie Sparks  
Rose Ann DeMoro  
Matthew Lomb  
Diann Woodward  
D. Michael Langford  
Baldemar Velasquez  
Bruce R. Smith  
James Andrews

**ELIZABETH H. SHULER**  
SECRETARY-TREASURER

Michael Sacco  
William Lucy  
Harold Schaitberger  
Cecil Roberts  
Vincent Giblin  
Warren George  
Nancy Wohlforth  
Mark H. Ayers  
Randi Weingarten  
Patrick D. Finley  
Robert McElrath  
John W. Wilhelm  
Bob King  
Maria Elena Durazo

**ARLENE MOLT BAKER**  
EXECUTIVE VICE PRESIDENT

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Rogelio "Roy" A. Flores  
Malcolm B. Futhey Jr.  
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Ken Howard  
General Hollifield  
Terence M. O'Sullivan

Patricia Friend  
R. Thomas Buttenberger  
Joseph J. Hurt  
Leo W. Gerard  
John Gage  
Laura Rico  
Capt. John Prater  
Fred Redmond  
Fredric V. Rolando  
Newton B. Jones  
DaMaurice F. Smith  
James Boland  
Lee A. Saunders

November 10, 2010

Sent by Facsimile and UPS

Anthony J. Horan  
Corporate Secretary  
JPMorgan Chase & Co.  
270 Park Avenue  
New York, New York 10017-2070

RECEIVED BY THE

NOV 10 2010

OFFICE OF THE SECRETARY

Dear Mr. Horan,

On behalf of the AFL-CIO Reserve Fund (the "Fund"), I write to give notice that pursuant to the 2010 proxy statement of JPMorgan Chase and Co. (the "Company"), the Fund intends to present the attached proposal (the "Proposal") at the 2011 annual meeting of shareholders (the "Annual Meeting"). The Fund requests that the Company include the Proposal in the Company's proxy statement for the Annual Meeting.

The Fund is the beneficial owner of 2892 shares of voting common stock (the "Shares") of the Company. The Fund has held at least \$2,000 in market value of the Shares for over one year, and the Fund intends to hold at least \$2,000 in market value of the Shares through the date of the Annual Meeting. A letter from the Fund's custodian bank documenting the Fund's ownership of the Shares is being sent under separate cover.

The Proposal is attached. I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally. Please direct all questions or correspondence regarding the Proposal to Brandon Rees at 202-637-3900.

Sincerely,

Daniel F. Pedrotty  
Director  
Office of Investment

DFP/sw  
opeiu #2, afl-cio

Attachment

RESOLVED: Shareholders recommend that JPMorgan & Chase Co. (the "Company") prepare a report on the Company's internal controls over its mortgage servicing operations, including a discussion of:

- the Company's participation in mortgage modification programs to prevent residential foreclosures,
- the Company's servicing of securitized mortgages that the Company may be liable to repurchase, and
- the Company's procedures to prevent legal defects in the processing of affidavits related to foreclosure.

The report shall be compiled at reasonable expense and be made available to shareholders by the end of 2011, and may omit proprietary information as determined by the Company.

#### SUPPORTING STATEMENT

In our view, the foreclosure crisis has become a significant social policy issue affecting our Company's mortgage servicing operations. Our Company is a leading servicer of home mortgages. As a mortgage servicer, our Company processes payments from borrowers, negotiates mortgage modifications with borrowers, and processes foreclosure documents when necessary.

Our Company has foreclosed on a large number of home mortgages. According to an estimate by SNL Financial, our Company had \$19.5 billion of its residential mortgage loans in foreclosure, and another \$54.5 billion of mortgages it services for other lenders in foreclosure as of June 30, 2010. (*Wall Street Journal*, J.P. Morgan, BofA, Wells Fargo Tops in Foreclosed Home Loans, October 12, 2010.)

In our opinion, the modification of homeowner mortgages to affordable levels is a preferable alternative to foreclosure. Foreclosures are costly to process and reduce property values. We believe that our Company should provide greater disclosure of its efforts to prevent foreclosures by its participation in government mortgage modification programs such as the Home Affordable Modification Program as well as our Company's proprietary mortgage modifications.

We are also concerned about our Company's potential liability to repurchase mortgages from investors in mortgage backed securities that have been serviced by our Company. According to an estimate by J.P. Morgan Chase & Co. analysts, industry-wide bank losses from repurchases of securitized mortgages could total \$55 billion to \$120 billion. (*Wall Street Journal*, Bondholders Pick a Fight With Banks, October 19, 2010.)

In 2010, our Company announced that it would review its affidavits in 102,000 foreclosure cases. (*Wall Street Journal*, J.P. Morgan Widens Mortgage Review to 41 States, October 13, 2010.) All 50 state attorneys general have launched investigations into allegations that foreclosure affidavits were improperly prepared by some mortgage servicers (a practice known as "robo-signing"). (*Wall Street Journal*, Attorneys General Launch Mortgage Probe, October 13, 2010.)

In our view, our Company's shareholders will benefit from a report that provides greater transparency regarding our Company's mortgage servicing operations. We believe that such a report will also help improve our Company's corporate reputation by disclosing its responses to the foreclosure crisis, including its efforts to modify mortgages to prevent foreclosure, to properly service investor-owned mortgages, and to comply with state foreclosure laws.

For these reasons, we urge you to vote "FOR" this proposal.

# American Federation of Labor and Congress of Industrial Organizations



815 Sixteenth Street, N.W.  
Washington, D.C. 20006  
(202) 637-5000  
www.aflcio.org

## EXECUTIVE COUNCIL

**RICHARD L. TRUMKA**  
PRESIDENT

Gerald W. McEntee  
Michael Goodwin  
Michael J. Sullivan  
Clyde Rivers  
James Williams  
Larry Cohen  
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Rose Ann DeMoro  
Matthew Loeb  
Diann Woodard  
D. Michael Langford  
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**ELIZABETH H. SHULER**  
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Patrick D. Finley  
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John W. Wilhelm  
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Robert A. Scardeliotti  
Edwin D. Hill  
William Burrus  
William Hite  
Gregory J. Junemann  
James C. Little  
Richard P. Hughes Jr.  
Rogelio "Roy" A. Flores  
Malcolm B. Fultrey Jr.  
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**ARLENE HOLT BAKER**  
EXECUTIVE VICE PRESIDENT

Patricia Friend  
R. Thomas Buffenbarger  
Joseph J. Hunt  
Leo W. Gerard  
John Gage  
Laura Rizzo  
Capt. John Prater  
Fred Redmond  
Fredric V. Rolando  
Newton B. Jones  
DeMaurice F. Smith  
James Boland  
Lee A. Saunders

November 10, 2010

*Sent by Facsimile and UPS*

Anthony J. Horan  
Corporate Secretary  
JPMorgan Chase & Co.  
270 Park Avenue  
New York, New York 10017-2070

RECEIVED BY THE

NOV 12 2010

OFFICE OF THE SECRETARY

Dear Mr. Horan,

On behalf of the AFL-CIO Reserve Fund (the "Fund"), I write to give notice that pursuant to the 2010 proxy statement of JPMorgan Chase and Co. (the "Company"), the Fund intends to present the attached proposal (the "Proposal") at the 2011 annual meeting of shareholders (the "Annual Meeting"). The Fund requests that the Company include the Proposal in the Company's proxy statement for the Annual Meeting.

The Fund is the beneficial owner of 2892 shares of voting common stock (the "Shares") of the Company. The Fund has held at least \$2,000 in market value of the Shares for over one year, and the Fund intends to hold at least \$2,000 in market value of the Shares through the date of the Annual Meeting. A letter from the Fund's custodian bank documenting the Fund's ownership of the Shares is being sent under separate cover.

The Proposal is attached. I represent that the Fund or its agent intends to appear in person or by proxy at the Annual Meeting to present the Proposal. I declare that the Fund has no "material interest" other than that believed to be shared by stockholders of the Company generally. Please direct all questions or correspondence regarding the Proposal to Brandon Rees at 202-637-3900.

Sincerely,

Daniel F. Pedrotty  
Director  
Office of Investment

DFP/sw  
opeiu #2, afl-cio

Attachment

**RESOLVED:** Shareholders recommend that JPMorgan & Chase Co. (the "Company") prepare a report on the Company's internal controls over its mortgage servicing operations, including a discussion of:

- the Company's participation in mortgage modification programs to prevent residential foreclosures,
- the Company's servicing of securitized mortgages that the Company may be liable to repurchase, and
- the Company's procedures to prevent legal defects in the processing of affidavits related to foreclosure.

The report shall be compiled at reasonable expense and be made available to shareholders by the end of 2011, and may omit proprietary information as determined by the Company.

#### **SUPPORTING STATEMENT**

In our view, the foreclosure crisis has become a significant social policy issue affecting our Company's mortgage servicing operations. Our Company is a leading servicer of home mortgages. As a mortgage servicer, our Company processes payments from borrowers, negotiates mortgage modifications with borrowers, and processes foreclosure documents when necessary.

Our Company has foreclosed on a large number of home mortgages. According to an estimate by SNL Financial, our Company had \$19.5 billion of its residential mortgage loans in foreclosure, and another \$54.5 billion of mortgages it services for other lenders in foreclosure as of June 30, 2010. (*Wall Street Journal*, J.P. Morgan, BofA, Wells Fargo Tops in Foreclosed Home Loans, October 12, 2010.)

In our opinion, the modification of homeowner mortgages to affordable levels is a preferable alternative to foreclosure. Foreclosures are costly to process and reduce property values. We believe that our Company should provide greater disclosure of its efforts to prevent foreclosures by its participation in government mortgage modification programs such as the Home Affordable Modification Program as well as our Company's proprietary mortgage modifications.

We are also concerned about our Company's potential liability to repurchase mortgages from investors in mortgage backed securities that have been serviced by our Company. According to an estimate by J.P. Morgan Chase & Co. analysts, industry-wide bank losses from repurchases of securitized mortgages could total \$55 billion to \$120 billion. (*Wall Street Journal*, Bondholders Pick a Fight With Banks, October 19, 2010.)

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In our view, our Company's shareholders will benefit from a report that provides greater transparency regarding our Company's mortgage servicing operations. We believe that such a report will also help improve our Company's corporate reputation by disclosing its responses to the foreclosure crisis, including its efforts to modify mortgages to prevent foreclosure, to properly service investor-owned mortgages, and to comply with state foreclosure laws.

For these reasons, we urge you to vote "FOR" this proposal.

One West Monroe  
Chicago, Illinois 60603-5301  
Fax 312/287-8775



November 10, 2010

*Sent by Fax (212) 270-4240 and US Mail*

Anthony J. Horan  
Corporate Secretary  
JPMorgan Chase & Co.  
270 Park Avenue  
New York, New York 10017-2070

Dear Mr. Horan,

AmalgaTrust, a division of Amalgamated Bank of Chicago, is the record holder of 2892 shares of common stock (the "Shares") of JPMorgan Chase & Company beneficially owned by the AFL-CIO Reserve Fund as of November 10, 2010. The AFL-CIO Reserve Fund has continuously held at least \$2,000 in market value of the Shares for over one year as of November 10, 2010. The Shares are held by AmalgaTrust at the Depository Trust Company in our participant account No. 2567.

If you have any questions concerning this matter, please do not hesitate to contact me at (312) 822-3220.

Sincerely,

A handwritten signature in black ink that reads "Lawrence M. Kaplan". The signature is fluid and cursive.

Lawrence M. Kaplan  
Vice President

cc: Daniel F. Pedrotty  
Director, AFL-CIO Office of Investment



One West Monroe  
Chicago, Illinois 60603-5301  
Fax 312/267-8775



November 10, 2010

RECEIVED BY THE

NOV 17 2010

OFFICE OF THE SECRETARY

*Sent by Fax (212) 270-4240 and US Mail*

Anthony J. Horan  
Corporate Secretary  
JPMorgan Chase & Co.  
270 Park Avenue  
New York, New York 10017-2070

Dear Mr. Horan,

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If you have any questions concerning this matter, please do not hesitate to contact me at (312) 822-3220.

Sincerely,

A handwritten signature in cursive script that reads "Lawrence M. Kaplan".

Lawrence M. Kaplan  
Vice President

cc: Daniel F. Pedrotty  
Director, AFL-CIO Office of Investment



# Facsimile Transmittal

RECEIVED BY THE

NOV 10 2010

OFFICE OF THE SECRETARY

Date: November 10, 2010

To: Anthony Horan, JPMorgan Chase & Co.

Fax: 212-270-4240

From: Daniel Pedrotty, Office of Investment, AFL-CIO

Pages: 3 (including cover page)

---

AFL-CIO Office of Investment  
815 16th Street, NW  
Washington, DC 20006  
Phone: (202) 637-3900  
Fax: (202) 508-6992  
[invest@aficio.org](mailto:invest@aficio.org)

# JPMORGAN CHASE & CO.

Anthony J. Horan  
Corporate Secretary  
Office of the Secretary


November 15, 2010

Mr. Brandon Reese  
AFL-CIO  
815 Sixteenth Street, N.W.  
Washington DC 20006

Dear Mr. Reese:

This will acknowledge receipt of a letter dated November 10, 2010, whereby Mr. Pedrotty advised JPMorgan Chase & Co. of the intention of the AFL-CIO Reserve Fund to submit a proposal on mortgage servicing operations to be voted upon at our 2011 Annual Meeting.

Sincerely,



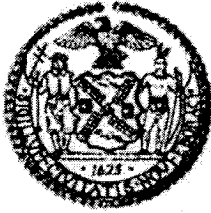
270 Park Avenue, New York, New York 10017-2070  
Telephone 212 270 7122 Facsimile 212 270 4240 [anthony.horan@chase.com](mailto:anthony.horan@chase.com)

JPMorgan Chase & Co.

76744806

*Shareholder Proposal of Neighborhood Economic Development Advocacy Project*  
*JPMorgan Chase & Co.*  
*Securities Exchange Act of 1934 Rule 14a-8*

**EXHIBIT G**



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
1 CENTRE STREET  
NEW YORK, N.Y. 10007-2341

John C. Liu  
COMPTROLLER

RECEIVED BY THE

NOV 12 2010

OFFICE OF THE SECRETARY

November 9, 2010

Mr. Anthony J. Horan  
Secretary  
JP Morgan Chase & Company  
270 Park Avenue  
New York, NY 10017-2070

Dear Mr. Horan:

I write to you on behalf of the Comptroller of the City of New York, John C. Liu. The Comptroller is the custodian and a trustee of the New York City Employees' Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers' Retirement System, and the New York City Police Pension Fund, and custodian of the New York City Board of Education Retirement System (the "Systems"). The Systems' boards of trustees have authorized the Comptroller to inform you of their intention to present the enclosed proposal for the consideration and vote of stockholders at the company's next annual meeting.

Therefore, we offer the enclosed proposal for the consideration and vote of shareholders at the company's next annual meeting. It is submitted to you in accordance with Rule 14a-8 of the Securities Exchange Act of 1934, and I ask that it be included in the company's proxy statement.

Letters from The Bank of New York Mellon Corporation certifying the Systems' ownership, for over a year, of shares of JP Morgan Chase & Company common stock are enclosed. Each System intends to continue to hold at least \$2,000 worth of these securities through the date of the company's next annual meeting.

Ms. Horan  
Page 2

We would be happy to discuss the proposal with you. Should the Board of Directors decide to endorse its provision as corporate policy, we will withdraw the proposal from consideration at the annual meeting. If you have any questions on this matter, please feel free to contact me at 1 Centre Street, Room 629, New York, NY 10007; phone (212) 669-2517.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael Garland", with a stylized flourish at the end.

Michael Garland  
Executive Director of Corporate Governance

MG/ma

Enclosures

**Whereas:**

JP Morgan Chase & Company is a leading originator, securitizer and servicer of home mortgages.

Reports of widespread irregularities in the mortgage securitization, servicing and foreclosure practices at a number of large banks, including missing or faulty documentation and possible fraud, have exposed the Company to substantial risks.

According to these reports, the specialized needs of millions of troubled borrowers overwhelmed bank operations that were designed to process routine mortgage payments. As the *New York Times* (10/24/10) reported, "computer systems were outmoded; the staff lacked the training and numbers to respond properly to the flood of calls. Traditional checks and balances on documentation slipped away as filing systems went electronic, and mortgages were packaged into bonds at a relentless pace."

Morgan Stanley estimated as many as 9 million U.S. mortgages that have been or are being foreclosed may face challenges over the validity of legal documents.

Mortgage servicers are required to act in the best interests of the investors who own the mortgages. However, a foreclosure expert testified before the Congressional Oversight Panel that perverse financial incentives lead servicers to foreclose when other options may be more advantageous to both homeowner and investor.

Fifty state attorneys general opened a joint investigation and major federal regulators initiated reviews of bank foreclosure practices, including the Federal Reserve's examination of the largest banks' policies, procedures, and internal controls related to loan modifications, foreclosures and securitizations to determine whether systematic weaknesses led to improper foreclosures.

Fitch Ratings warned the "probes may highlight weaknesses in the processes, controls and procedures of certain [mortgage] servicers and may lead to servicer rating downgrades."

"While federal regulators and state attorneys general have focused on flawed foreclosures," reported *Bloomberg* (10/24/10), "a bigger threat may be the cost to buy back faulty loans that banks bundled into securities."

Mortgage repurchases cost Bank of America, Citigroup, JP Morgan Chase and Wells Fargo \$9.8 billion in total as of September 2010, according to Credit Suisse. Goldman Sachs estimated the four banks face potential losses of \$26 billion, while other estimates place potential losses substantially higher.

The Audit Committee of the Board of Directors is responsible for ensuring the Company has adequate internal controls governing legal and regulatory compliance. With the Company's mortgage-related practices under intensive legal and regulatory scrutiny, we believe the Audit Committee should act proactively and independently to reassure shareholders that the Company's compliance controls are robust.

**Resolved**, shareholders request that the Board have its Audit Committee conduct an independent review of the Company's internal controls related to loan modifications, foreclosures and securitizations, and report to shareholders, at reasonable cost and omitting proprietary information, its findings and recommendations by September 30, 2011.

The report should evaluate (a) the Company's compliance with (i) applicable laws and regulations and (ii) its own policies and procedures; (b) whether management has allocated a sufficient number of trained staff; and (c) policies and procedures to address potential financial incentives to foreclose when other options may be more consistent with the Company's long-term interests.



RECEIVED BY THE  
NOV 12 2010  
OFFICE OF THE SECRETARY

November 09, 2010

To Whom It May Concern

Re: JPMorgan Chase & Co.

CUSIP#: 46625H100

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 09, 2009 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Employees' Retirement System.

The New York City Employees' Retirement System      4,725,142 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

A handwritten signature in cursive script that reads "Alice Tiedemann".

Alice Tiedemann  
Vice President





RECEIVED BY THE

NOV 12 2010

OFFICE OF THE SECRETARY

November 09, 2010

To Whom It May Concern

Re: JPMorgan Chase & Co.

CUSIP#: 46625H100

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 09, 2009 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Fire Department Pension Fund.

The New York City Fire Department Pension Fund                      755,265 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

A handwritten signature in cursive script that reads "Alice Tiedemann".

Alice Tiedemann  
Vice President



US Securities Services

RECEIVED BY THE

NOV 12 2010

OFFICE OF THE SECRETARY

November 09, 2010

To Whom It May Concern

Re: JPMorgan Chase & Co.

CUSIP#: 46625H100

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 09, 2009 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Teachers' Retirement System.

The New York City Teachers' Retirement System                      4,785,277 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

A handwritten signature in cursive script that reads "Alice Tiedemann".

Alice Tiedemann  
Vice President



RECEIVED BY THE

NOV 12 2010

OFFICE OF THE SECRETARY

  
BNY MELLON  
ASSET SERVICING

US Securities Services

November 09, 2010

To Whom It May Concern

Re: JPMorgan Chase & Co.

CUSIP#: 46625H100

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 09, 2009 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Police Pension Fund.

The New York City Police Pension Fund

2,182,967 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,



Alice Tiedemann  
Vice President

RECEIVED BY THE

NOV 12 2010

OFFICE OF THE SECRETARY

  
BNY MELLON  
ASSET SERVICING

US Securities Services

November 09, 2010

To Whom It May Concern

Re: JPMorgan Chase & Co.

CUSIP#: 46625H100

Dear Madame/Sir:

The purpose of this letter is to provide you with the holdings for the above referenced asset continuously held in custody from November 09, 2009 through today at The Bank of New York Mellon in the name of Cede and Company for the New York City Board of Education Retirement System.

The New York City Board of Education Retirement System                      291,631 shares

Please do not hesitate to contact me should you have any specific concerns or questions.

Sincerely,

*Alice Tiedemann*

Alice Tiedemann  
Vice President

JPMORGAN CHASE & CO.

Anthony J. Horan  
Corporate Secretary  
Office of the Secretary

November 15, 2010

Mr. Michael Garland  
Executive Director of Corporate Governance  
The City of New York  
Office of the Comptroller  
1 Centre Street  
New York, NY 10007-2341

Dear Mr. Garland:

This will acknowledge receipt of a letter dated November 9, 2010, whereby you advised JPMorgan Chase & Co. of the intention of the New York City's Employees Retirement System, Fire Department Pension Fund, Teachers' Retirement System, Police Pension Fund and the Board of Education Retirement System to submit a proposal on mortgage servicing operations to be voted upon at our 2011 Annual Meeting.

Sincerely,

