

**Anthony J. Horan**  
Corporate Secretary  
Office of the Secretary

September 16, 2009

U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549  
Attention: Elizabeth M. Murphy, Secretary  
Via e-mail: rule-comments@sec.gov

Re: File No. S7-13-09  
Release No. 34-60280  
Proposed Rule: Proxy Disclosure and Solicitation Enhancements

Ladies and Gentlemen:

JPMorgan Chase & Co. (“JPMC” or the “Company”) appreciates the opportunity to comment on Release No. 34-60280, Proxy Disclosure and Solicitation Enhancements (the “Release”) issued by the Securities and Exchange Commission (the “Commission”). JPMC is a leading global financial services firm with assets of \$2 trillion and operations in more than 60 countries. The Company is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management, and private equity. A component of the Dow Jones Industrial Average, JPMC serves millions of consumers in the United States and many of the world’s most prominent corporate, institutional and governmental clients under the J.P. Morgan, Chase, and Washington Mutual brands.

1. Compensation Disclosure and Analysis Disclosures

The proposed amendments to the Compensation Discussion and Analysis (“CD&A”) would require a company to discuss and analyze its broader compensation policies and overall compensation practices for employees generally, if risks arising from those compensation policies or practices may have a material effect on the company.

We support the Commission’s desire to provide shareholders with information about risks arising from a company’s compensation policies where it is relevant. We suggest, however, that the Commission not prescribe such disclosure for the CD&A but, instead, continue to require companies to disclose the material elements of their compensation for named executive officers in the CD&A, and if necessary to an understanding of the company’s compensation policies and decisions for its named executive officers, to expand such disclosure to address the company’s broader compensation policies and practices. If a company determines that a discussion of broader compensation policies and practices is appropriate, we suggest the company should have the discretion to determine whether to include such discussion in its Form 10-K or Form 10-Q as part of a broader discussion of risk management or in its proxy statement.



If the Commission nevertheless elects to adopt the proposed amendment to the CD&A, we propose that the requirement be limited to policies and overall compensation practices for employees generally, if risks arising from those compensation policies or practices are “likely to” have a material effect on the company, rather than those that “may” have a material effect on the company.” Such a change would be consistent with the way the term “materiality” is currently used in the instructions to the CD&A. Any amendments to the requirements for the CD&A should not be limited to particular industries like financial services, but instead apply generally where appropriate under standards of materiality.

## 2. Revisions to the Summary Compensation Table

The proposed amendments to the Summary Compensation Table would require companies to report stock and option awards at their aggregate grant date fair value computed in accordance with FAS 123R. The Commission has also asked if companies should be permitted to report stock and option awards granted for services with respect to the relevant fiscal year, even if the awards are granted after the fiscal year-end.

We support both changes and believe they are important in communicating to shareholders management’s and the board’s view of the compensation actually awarded in respect of a particular year. At JPMC, annual variable compensation generally consists of cash and equity in the form of restricted stock units in an amount determined as a percentage of the entire incentive award. The cash portion is paid and the equity portion is awarded (subject to deferred vesting) in January following the performance year. In order to show this, in each of our proxy statements published since the adoption of the 2006 rules, we have included a table of annual and periodic compensation as supplemental disclosure to the Summary Compensation Table, and we believe shareholders have found it helpful. Nevertheless, it would, we believe, be even more helpful to revise the required disclosure to avoid the need for a supplemental table.

With respect to transition reporting, we understand some companies may find it helpful to have a choice whether to re-compute the compensation for prior years in the Summary Compensation Table or alternatively provide additional disclosure. For JPMC, we believe it will be most helpful for shareholders if we re-compute the compensation for prior years. We understand that the determination of the named executive officers other than the chief executive officer and the chief financial officer will be made based on the rules as revised and that the Commission would not require companies to include any other named executive officers for any preceding fiscal year. We support this approach.

## 3. Enhanced Director and Nominee Disclosure

We support expanded disclosure regarding a director’s or nominee’s experience, qualifications and education beyond the brief biographical information that is currently required, but we are concerned that the proposal to require disclosure of “attributes or skills” that qualify the person to serve as a director, and as a member of any committee that the person is chosen to serve on, suggests a premise that there are specific, specialized skills or credentials that qualify a person to serve as a director or member of a committee. We believe that for the board as whole, there should be a balance of professional knowledge, business expertise, varied industry knowledge, financial expertise and CEO-level business management experience, with diversity of



representation among board members. For any individual, experience, judgment, responsibility and the ability to critically assess and help guide the company are key attributes, more so than particular technical credentials. Thus we do not support disclosure that would tend to suggest that a particular director has only a specific function or capability.

#### 4. Company Leadership Structure and the Board's Role in the Risk Management Process

Proposed amendments would require disclosure of the company's leadership structure and why the company believes it is the best structure for it at the time of the filing. The specific requirements would include discussion of whether the company combines or separates the roles of chairman and CEO and whether the company has a lead independent director. We appreciate that the Commission recognizes that different leadership structures may be suitable for different companies and for making clear that the proposed amendments are not intended to influence a company's decision regarding its board leadership structure.

Proposed amendments would also require additional disclosure in proxy statements about the board's or a board committee's role in the company's risk management process. Such disclosure may be more effective as part of a more comprehensive discussion of a company's risk management processes rather than as stand-alone disclosure and we therefore suggest that the Commission permit companies that provide the required disclosure in another document such as the MD&A of Form 10-K to include a reference to such document in its proxy statement rather than repeating the information.

#### 5. Disclosure Regarding Compensation Consultants

Proposed amendments would require disclosure of fees paid to compensation consultants when they play any role in determining or recommending the amount or form of executive and director compensation, if they also provide any other services to the company. It would also require disclosure regarding the nature and extent of all additional services such consultant provides because of the concern that the provision of additional services may create the appearance, or risk, of a conflict of interest that may call into question the objectivity of the consultant's executive pay recommendations.

The proposed rules would not require disclosure when the consultant's only role is in connection with consulting on broad-based plans that do not discriminate in favor of executive officers or directors, such as 401(k) plans. We believe that the proposed rules should also not apply to consultants whose only role is to provide industry data to compensation committees or the board of directors, as these consultants would not be providing advice or recommendations regarding executive or director compensation.

#### 6. Reporting of Voting Results on Form 8-K

Proposed amendments would require companies to disclose the vote results of any matter submitted to shareholders on Form 8-K rather than Form 10-Q or Form 10-K in order to make them more timely.

We have generally reported voting results on Form 8-K in the interests of timely disclosure. We note, however, that the same timely disclosure may be achieved by companies reporting their voting results on their website, and we would support permitting this alternative.


We note that the proposed amendments would provide an exception for contested director elections and we believe this exception should be expanded to other matters for which definitive results are not available within the required reporting period, in which case a company would be required to file preliminary results within the required period.

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We appreciate the opportunity to comment on these important proposals and would be happy to provide you with further information to the extent you would find it useful.

Very truly yours,

JPMorgan Chase & Co.

By:   
Name: Anthony J. Horan  
Title: Corporate Secretary

cc: Mary L. Schapiro, Chairman  
Luis A. Aguilar, Commissioner  
Kathleen L. Casey, Commissioner  
Troy A. Paredes, Commissioner  
Elisse B. Walter, Commissioner  
Meredith B. Cross, Director, Division of Corporation Finance  
David M. Becker, General Counsel