

Anthony J. Horan
Corporate Secretary
Office of the Secretary

March 27, 2009

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Proposed Amendment to New York Stock Exchange Rule 452, File No. SR-NYSE-2006-92

Dear Ms. Murphy:

JPMorgan Chase & Co. appreciates the opportunity to comment on the New York Stock Exchange (“NYSE”) proposal to amend NYSE Rule 452 to eliminate broker discretionary voting in director elections.

As an issuer of publicly traded securities, we believe that a strong proxy voting system is essential to effective governance, and we strongly support efforts to increase transparency in the system and improve communications with shareholders. However, we believe that there are problems with the current proposal that undermine the effectiveness of the proxy voting system and, without consideration of counterbalancing measures, could have negative and unintended consequences. As a result, we recommend that the Securities and Exchange Commission (the “Commission”) not approve the proposed amendment at this time.

The Commission’s notice to solicit comments on the proposed rule change cited recommendations from a Proxy Working Group convened three years ago to review, among other things, Rule 452 and also commented on concerns regarding the impact of the proposed changes on achieving a quorum. In addition to the important concerns regarding a quorum, we believe it is also very important to consider the impact of eliminating broker discretionary voting on retail shareholders. For JPMorgan Chase, we estimate that our approximately 3.8 billion shares outstanding are held about 70% by institutional shareholders and 30% by retail shareholders. Notwithstanding their relatively smaller presence, we view retail shareholders as highly important and want to encourage and preserve their voice in the voting process.

At the time of issuance of the report of the Proxy Working Group, the concepts of proportional voting and client directed voting were new and had not been implemented. Since then, the concepts have gained acceptance and experience has been obtained. In May 2007, I participated on behalf of JPMorgan Chase in the Commission’s Roundtable on Proxy Voting Mechanics and, with others, expressed support for consideration of proportional voting and/or client directed voting in conjunction with any change to Rule 452.

The broker vote is now a more accurate reflection of retail shareholder sentiment given the very recent growth of “proportional voting”. At least 10 large brokers have begun to vote uninstructed shares held in street name proportionally to how all their other retail clients have voted. The elimination of discretionary voting would put an end to this potentially effective way to ensure the representation of individual investors, since those brokers rely on their discretionary voting authority to implement “proportional voting” policies.

Eliminating discretionary broker voting without instituting other reforms will suppress the voice of individual investors, which already is underrepresented in the current system. The proposed amendment would shift disproportionate weight to institutional investors, and increase the influence of proxy advisors in the outcome of director elections. In addition, JPMorgan Chase and many other companies have adopted a majority vote standard in uncontested director elections, and in recognition of that, continuing the vote of retail shareholders is especially important.

As an example of other reforms, Notice & Access is a useful and appropriate initiative, but we are concerned that absent some modifications, its use in its current form may further erode the retail vote. This year, JPMorgan Chase is implementing the notice only model for our annual meeting proxy statement and related materials and will review the impact on voting. We believe that retail shareholder voting would be facilitated if we could include a voting instruction form or proxy card with our initial notice mailing.

We believe the Commission should take a comprehensive, balanced approach to the proxy voting process. We encourage you to further explore other alternatives that would preserve and even augment the voice of individual investors and increase the efficiency of the proxy voting system. The Proxy Working Group stated in its August 27, 2007 addendum to its report that it would continue to evaluate the advantages and disadvantages of client directed voting, and that it planned to review brokers’ experience with proportional voting as a viable alternative. We do not believe that such a further evaluation or review has been undertaken, and we urge the Commission to complete that examination before proceeding to approve the current proposals submitted by the NYSE on Rule 452.

Sincerely,



Anthony J. Horan
Corporate Secretary
JPMorgan Chase & Co.