



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-3010

March 4, 2009

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

Re: JPMorgan Chase & Co.  
Incoming letter dated January 9, 2009

Dear Mr. Horan:

This is in response to your letter dated January 9, 2009 concerning the shareholder proposal submitted to JPMorgan Chase by the MMA Praxis Mutual Funds, the Sisters of St. Francis of Philadelphia, Friends Fiduciary Corporation, and the Sisters of the Holy Spirit and Mary Immaculate. Our response is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in the correspondence. Copies of all of the correspondence also will be provided to the proponents.

In connection with this matter, your attention is directed to the enclosure, which sets forth a brief discussion of the Division's informal procedures regarding shareholder proposals.

Sincerely,

Heather L. Maples  
Senior Special Counsel

Enclosures

cc: Mark A. Regier  
Stewardship Investing Services Manager  
MMA Stewardship Solutions  
Post Office Box 483  
Goshen, IN 46527

March 4, 2009

**Response of the Office of Chief Counsel**  
**Division of Corporation Finance**

Re: JPMorgan Chase & Co.  
Incoming letter dated January 9, 2009

The proposal requests that the board complete a report to shareholders evaluating, with respect to practices commonly deemed to be predatory, the company's credit card marketing, lending and collection practices and the impact these practices have on borrowers.

We are unable to concur in your view that JPMorgan Chase may exclude the proposal under rule 14a-8(i)(7). Accordingly, we do not believe that JPMorgan Chase may omit the proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Matt S. McNair  
Attorney-Adviser

**DIVISION OF CORPORATION FINANCE  
INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS**

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the Company in support of its intention to exclude the proposals from the Company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes administered by the Commission, including argument as to whether or not activities proposed to be taken would be violative of the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversary procedure.

It is important to note that the staff's and Commission's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly a discretionary determination not to recommend or take Commission enforcement action, does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the management omit the proposal from the company's proxy material.

# JPMORGAN CHASE & CO.

January 9, 2009

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

**VIA E-MAIL**

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

Re: *Shareholder Proposal of Mennonite Mutual Aid (MMA) Praxis Funds, The Sisters of St. Francis of Philadelphia, Friends Fiduciary Corporation, and Sisters of the Holy Spirit and Mary Immaculate Securities Exchange Act of 1934—Rule 14a-8*

Dear Ladies and Gentlemen:

This letter is to inform you that JPMorgan Chase & Co. (the "Company") intends to omit from its proxy statement and form of proxy for its 2009 Annual Meeting of Shareholders (collectively, the "2009 Proxy Materials") a shareholder proposal (the "Proposal") and statements in support thereof received from Mennonite Mutual Aid (MMA) Praxis Funds, The Sisters of St. Francis of Philadelphia, Friends Fiduciary Corporation, and Sisters of the Holy Spirit and Mary Immaculate (collectively, the "Proponents").

Pursuant to Rule 14a-8(j), we have:

- filed this letter with the Securities and Exchange Commission (the "Commission") no later than eighty (80) calendar days before the Company intends to file its definitive 2009 Proxy Materials with the Commission; and
- concurrently sent copies of this correspondence to the Proponents.

Rule 14a-8(k) and Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D") provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the Commission or the staff of the Division of Corporation Finance (the "Staff"). Accordingly, we are taking this opportunity to inform the Proponents that if the Proponents elect to submit additional correspondence to the Commission or the Staff with respect to this Proposal, a copy of that correspondence should be furnished concurrently to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

## THE PROPOSAL

The Proposal provides:

That the shareholders request the Board of Directors to complete a report to shareholders, prepared at reasonable cost and omitting proprietary information, evaluating with respect to practices commonly deemed to be predatory, our company's credit card marketing, lending and collection practices and the impact these practices have on borrowers.

A copy of the Proposal, as well as related correspondence with the Proponents, is attached to this letter as Exhibit A.

## BASIS FOR EXCLUSION

We hereby respectfully request that the Staff concur in our view that the Proposal may be excluded from the 2009 Proxy Materials pursuant to Rule 14a-8(i)(7) because it pertains to the Company's ordinary business operations.

## ANALYSIS

Rule 14a-8(i)(7) permits the omission of a shareholder proposal dealing with matters relating to a company's "ordinary business" operations. According to the Commission release accompanying the 1998 amendments to Rule 14a-8, the term "ordinary business" "is rooted in the corporate law concept of providing management with flexibility in directing certain core matters involving the company's business and operations." Exchange Act Release No. 40018 (May 21, 1998) (the "1998 Release"). Therefore, "ordinary business" "refers to matters that are not necessarily 'ordinary' in the common meaning of the word." *Id.* In the 1998 Release, the Commission described the two "central considerations" underlying the policy for the ordinary business exclusion:

The first relates to the subject matter of the proposal. Certain 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. Examples include the management of the workforce, such as the hiring, promotion, and termination of employees, decisions on production quality and quantity, and the retention of suppliers . . . 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.

That the Proponents ask for a report, rather than direct action, does not change the analysis. The Staff has stated that a proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the substance of the report is within the ordinary business of the issuer. See Exchange Act Release No. 20091 (Aug. 16, 1983). Thus, “[where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business . . . it may be excluded under Rule 14a-8(i)(7).” *Johnson Controls, Inc.* (avail. Oct. 26, 1999); see also *The Walt Disney Co.* (avail. Nov. 30, 2007) (concurring in the exclusion of a proposal where the company argued that “[t]he limitation of a proposal to a request for a report does not render more acceptable a proposal that deals with matters within the ordinary business judgment of the company”).

A. *The Proposal Is Excludable Because It Relates to the Company's "Ordinary Business" Operations.*

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. The Company serves millions of customers in over sixty countries. The Proposal requests a report on the Company's "credit card marketing, lending and collection practices." The Staff has noted that credit policies, loan underwriting and customer relations relate to the ordinary business operations of a financial institution and that proposals relating to these subjects are excludable under Rule 14a-8(i)(7). See, e.g., *Bank of America* (avail. Feb. 27, 2008) (concurring in the exclusion of a proposal requesting a report disclosing the company's policies and practices regarding the issuance of credit cards because it related to "credit policies, loan underwriting and customer relations"). Thus, the Proposal is excludable because the subject of the report relates to the Company's ordinary business operations.

According to the 1998 Release, the underlying policy of the ordinary business exclusion 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 Staff repeatedly has recognized that the policies applied in making lending and credit decisions are particularly complex business operations about which shareholders are not in a position to make an informed judgment. See, e.g., *Mirage Resorts, Inc.* (avail. Feb. 18, 1997) (concurring in the exclusion of a proposal relating to business relationships and extensions of credit); *BankAmerica Corp.* (avail. Mar. 23, 1992) (concurring in the exclusion of a proposal dealing with the extension of credit and decisions and policies regarding the extension of credit). For example, in *BankAmerica Corp.* (avail. Feb. 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."

In *Banc One Corp.* (avail. Feb. 25, 1993) the Staff concurred that the company could exclude a proposal that asked the company to adopt procedures that would consider the effect on customers of credit application rejection because, as here, the proposal addressed credit policies, loan underwriting and customer relationships, which are all within a company's ordinary business operations. As in *Banc One*, the Proposal asks for detailed information regarding the Company's lending practices, and, as did the proposal in *Banc One*, specifically asks for information about "the impact these practices have on borrowers."

Furthermore, a long line of precedent confirms the Staff's position that proposals addressing a financial institution's participation in a particular segment of the lending market relate to ordinary business matters and are excludable under Rule 14a-8(i)(7). *See, e.g., Cash America International, Inc.* (avail. Mar. 5, 2007) (concurring in the exclusion of a proposal that requested the appointment of a committee to develop a suitability standard for the company's loan products, and, very similarly to the Proposal, to determine whether loans were consistent with the borrowers' ability to repay and for an assessment of the reasonableness of collection procedures because it related to "credit policies, loan underwriting and customer relations"); *H&R Block, Inc.* (avail. Aug. 1, 2006) (concurring in the exclusion of a proposal that related to the company's policy of issuing high-interest refund anticipation loans because the proposal related to ordinary business operations); *Wells Fargo & Co. (The Community Reinvestment Association of North Carolina et al.)* (avail. Feb. 16, 2006) (concurring in the exclusion of a proposal that requested a policy that the company would not provide credit or banking services to lenders engaged in payday lending because it related to "credit policies, loan underwriting and customer relations"); *Citicorp* (avail. Jan. 26, 1990) (concurring in the exclusion of a proposal that related to the development of a policy to forgive a particular category of loans under the predecessor to Rule 14a-8(i)(7)); *BankAmerica Corp.* (avail. Feb. 18, 1977) (discussed above).

Therefore, because the underlying subject matter of the report requested in the Proposal pertains to the Company's decisions to implement certain lending practices – the quintessential ordinary business matter for financial institutions – the Proposal may be properly excluded under Rule 14a-8(i)(7).

*B. The Proposal Involves Ordinary Business Matters Because It Relates to the Assessment of Risk*

The Proposal is focused on the Company's internal risk review process and therefore is excludable under Rule 14a-8(i)(7). The Proposal requests that the Company produce a report assessing "the impact" of certain Company credit practices. In the supporting statement, the Proponents contend that if the Company has "predatory" policies, it could "weaken[] the long-term financial prospects of [the C]ompany." The Proponents argue that the Company should ensure that it has policies to aid consumers' financial health because that would be "in the best interest of [the C]ompany." The Proposal targets how certain practices may affect the Company

in the event cardholders begin to default. Risk assessments of this type are fundamental tasks to be conducted by management in the day-to-day operations of a lending and credit institution.

A well-established line of Staff precedent demonstrates that proposals seeking detailed information on a company's assessment of the risks and benefits of aspects of its business operations are matters relating to the ordinary conduct of business. In *The Dow Chemical Co.* (avail. Feb. 23, 2005), the Staff concurred that the company could exclude a proposal requesting a report describing the reputational and financial impact of the company's response to pending litigation on Rule 14a-8(i)(7) grounds because it related to the company's ordinary business operations (*i.e.*, evaluation of risks and liabilities). In *The Dow Chemical Co.* (avail. Feb. 13, 2004), the Staff concurred that the company could exclude under Rule 14a-8(i)(7) a proposal requesting a report related to certain toxic substances, including "the reasonable range of projected costs of remediation or liability." In concurring with the exclusion of the proposal, the Staff noted that it related to an evaluation of risks and liabilities. *See also Boeing Co.* (avail. Feb. 25, 2005) (excluding a proposal related to a request for estimated or anticipated cost savings associated with job elimination or relocation actions taken by the company over the past five years); *Willamette Industries, Inc.* (avail. Mar. 20, 2001) (excluding a proposal related to a request for a report on environmental problems, including "an estimate of worst case financial exposure due to environmental issues for the next ten years"); *Pottlatch Corp.* (avail. Feb. 13, 2001) (excluding a proposal related to a request for a report that was to include an assessment of environmental risks).

This line of precedent was summarized in Staff Legal Bulletin 14C (June 28, 2005) ("SLB 14C"). There, the Staff stated:

To the extent that a proposal and supporting statement focus on the company engaging in an internal assessment of the risks or liabilities that the company faces as a result of its operations that may adversely affect the environment or the public's health, we concur with the company's view that there is a basis for it to exclude the proposal under rule 14a-8(i)(7) as relating to an evaluation of risk.

Although the language cited above specifically addresses proposals related to the environment or public health, the Staff has applied the same reasoning to other proposals seeking an assessment of risks arising from a company's operations. *See, e.g., Union Pacific Corp.* (avail. Feb. 21, 2007) (concurring in the exclusion of a proposal asking for a report on the company's efforts to safeguard operations and minimize financial risk from a terrorist attack or other homeland security incident). Here, the Proposal is seeking a report on the Company's internal assessment of risks in regard to the impact credit practices may have on borrowers. Specifically, it seeks a report that includes an evaluation "with respect to practices commonly deemed to be predatory" and the impact those practices have on borrowers. In this regard, the Proposal is similar to that in *JPMorgan Chase & Co.* (avail. Feb. 28, 2001), which requested a discussion on the risks of inflation and deflation. There, the Staff concurred that the proposal

was excludable under Rule 14a-8(i)(7) because it related to an evaluation of risks and liabilities. Consistent with the policy expressed in SLB 14C, the Staff repeatedly has permitted exclusion of proposals that requested banks to produce reports containing risk evaluations. See *Wells Fargo & Co. (SEIU Master Trust and Trillium Asset Management Corp.)* (avail. Feb. 16, 2006); *Wachovia Corp.* (avail. Feb. 10, 2006) (in each case, concurring in the exclusion of a proposal that requested a report on the effect of global climate change on business strategy because the proposal called for an assessment of risk).

Other recent precedent further affirm the Staff's long-held position that shareholder proposals requesting an evaluation of risk are excludable under Rule 14a-8(i)(7) because they deal with ordinary business operations. In *Arch Coal, Inc.* (avail. Jan. 17, 2008), the Staff concurred that the company could exclude a proposal that requested a report on how the company was responding to rising regulatory, competitive, and public pressure to significantly reduce carbon dioxide emissions from the company's operations. The proposal in *Arch Coal* was very similar to the one at issue here in that it suggested, just as the Proposal does, that if the company ignored those issues, it might be impaired financially. The Staff concurred that the proposal was excludable as an evaluation of risk. Indeed, in some respects the Proposal is even more specific than the proposal in *Arch Coal* in asking for information about risks the Company faces as a result of its business operations (such as by addressing the Proponents' ultimate concerns by specifically using the phrases "best interest of [the C]ompany" and "weaken[ing] the long-term financial prospects of [the C]ompany"), which is precisely the sort of internal risk assessment contemplated by SLB 14C. See also *Newmont Mining Corp.* (avail. Feb. 4, 2004) (concurring in the exclusion of a proposal requesting that the company's board of directors publish a report on the risk to the company's "operations, profitability and reputation" arising from its social and environmental liabilities on the basis that the proposal pertained to the "evaluation of risk").

The Proposal requests an evaluation of risk because it seeks information about the Company's "long-term financial prospects" as a result of the "impact" certain practices have on borrowers who might default and "weaken" the Company. Proposals need not explicitly request an "evaluation of risk" to be excludable on that basis under Rule 14a-8(i)(7). Staff precedent makes it clear that the inquiry goes beyond whether the proposal specifically refers to an assessment of risk, and instead examines the underlying focus of the proposal.

The instant case is similar to several other no-action letters where the Staff has concurred in exclusion under Rule 14a-8(i)(7). For example, in *Pulte Homes, Inc.* (avail. Mar. 1, 2007), the Staff concurred that the company could exclude, as relating to "evaluation of risk," a proposal requesting that the company "assess its response to rising regulatory, competitive, and public pressure to increase energy efficiency." See also *The Bear Stearns Companies Inc.* (avail. Feb. 5, 2008); *Washington Mutual, Inc.* (avail. Feb. 5, 2008) (in each case, concurring in the exclusion of a proposal that requested a report discussing the company's potential financial exposure as a result of the mortgage securities crisis); *General Electric Co. (Bugzavich)* (avail.

Jan. 9, 2008) (concurring in the exclusion of a proposal that requested a report on the potential damage to the company's brand name and reputation as a result of sourcing of products and services from the People's Republic of China); *Great Plains Energy Inc.* (avail. Feb. 10, 2007) (concurring in the exclusion of proposal that demanded a "financial analysis . . . of the impact" of a carbon dioxide emissions tax); *Hewlett-Packard Co.* (avail. Jan. 22, 2007) (concurring in the exclusion of a proposal that requested a report on the development and "costs and benefits" of a greenhouse gas emissions policy); *American International Group, Inc.* (avail. Feb. 19, 2004) (concurring in the exclusion of a proposal that requested a report on "the economic effects of HIV/AIDS, tuberculosis and malaria pandemics on the company's business strategy").

As with the letters addressed in SLB 14C and the no-action letters cited above, in requesting a report evaluating the "impact" of certain business decisions, essentially to gauge potential risk they pose, the Proposal focuses on an internal assessment of the risks the Company faces as part of its day-to-day operating decisions. Accordingly, the Proposal is excludable because it requests the Company to engage in an internal assessment of risks, which is a matter of ordinary business.

*C. Regardless of Whether the Proposal Touches upon Significant Social Policy Issues, the Entire Proposal is Excludable Due to the Fact That It Directly Addresses Ordinary Business Matters.*

The precedent set forth above supports our conclusion that the Proposal addresses ordinary business matters and therefore is excludable under Rule 14a-8(i)(7). The Staff has consistently concurred that a proposal may be excluded in its entirety when it addresses ordinary business matters, even if it also touches upon a significant social policy issue. For example, in *Wal-Mart Stores, Inc.* (avail. Mar. 15, 1999), the Staff concurred that a company could exclude a proposal requesting a report to ensure that the company did not purchase goods from suppliers using forced labor, convict labor and child labor, because the proposal also requested that the report address ordinary business matters.

In situations where proposals include both an ordinary and non-ordinary business matter the Staff has concurred that the proposal may be excluded in its entirety. The Staff affirmed this position in *Peregrine Pharmaceuticals Inc.* (avail. July 31, 2007), where it found that a proposal recommending that a committee of the board of directors evaluate both the strategic direction of the company and the performance of the management team could be excluded. The Staff noted that "the proposal appears to relate to both extraordinary transactions and non-extraordinary transactions." Similarly, in *General Motors Corp.* (avail. Apr. 4, 2007), a proposal requested that the board of directors institute an executive compensation program that tracked progress in improving the fuel economy of vehicles. That proposal was excludable under Rule 14a-8(i)(7) because, as stated by the Staff, "while the proposal mention[ed] executive compensation, the thrust and focus of the proposal [was] on ordinary business matters."

The Proponents use the term “predatory lending,” but it should be noted that there is no consensus as to what the term “predatory lending” includes. Although the Company is aware of situations in which the Staff has not concurred with the exclusion under Rule 14a-8(i)(7) of proposals that specifically addressed alleged predatory lending practices, those proposals are distinguishable from the one at hand. See, e.g., *Cash America International, Inc.* (avail. Feb. 13, 2008) (proposal to form an independent committee of the board to prevent predatory lending practices); *Conseco, Inc.* (avail. Apr. 5, 2001) (proposal that requested the establishment of a committee of outside directors to develop and enforce policies to ensure that the company does not engage in predatory lending). The proposals at issue in the above-cited letters related to board action to end predatory lending practices. In contrast, the Proposal at issue here does not allege that the Company is engaged in predatory lending, but rather seeks a report evaluating the risks of such practices on prospective borrowers. It also should be noted that the Company does not engage in the types of practices described by the Proponents nor is the Company subject to any regulatory investigations relating to predatory lending.

Here, the information specifically called for by the Proposal – the impact lending practices will have on borrowers – includes information relating to ordinary business matters. Although the Proposal discusses predatory lending, it does not request that the Company change its policies. Rather, the Proposal directs the Company to undertake an internal cost-benefit analysis of the economic risks the Company faces as a result of its “credit card marketing, lending and collection practices.” Thus, the Proposal focuses on the Proponents’ concern that the Company’s practices may expose it to the risk of litigation, liability, and consequently, decreasing shareholder value. As noted above, a proposal may be excluded in its entirety when it addresses ordinary business matters even if it also touches upon a policy matter. The fact that the proposal mentions predatory lending does not remove it from the scope of Rule 14a-8(i)(7). Accordingly, based on the precedents described above, we believe that the Proposal properly may be excluded from the 2009 Proxy Materials under Rule 14a-8(i)(7) and request that the Staff concur in our conclusion.

## CONCLUSION

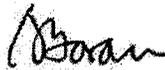
The Company has cited established Staff precedent pertaining to the exclusion of proposals relating to ordinary business operations and risk assessments. The Proposal at issue goes beyond a mere evaluation of actual lending by asking for an evaluation of marketing, collections practices and the effect of each of these on borrowers. In essence, the Proposal is asking for five things – an evaluation of: practices deemed to be predatory, credit card marketing policies, lending policies, collection policies, and how these policies impact borrowers. Each of these matters touches on the ordinary day-to-day business of the credit card division of the Company. As such, the Proposal is so intertwined with issues of ordinary business that it should be excluded.

Office of Chief Counsel  
Division of Corporation Finance  
January 9, 2009  
Page 9

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its 2009 Proxy Materials. We would be happy to provide you with any additional information and answer any questions that you may have regarding this subject.

If we can be of any further assistance in this matter, please do not hesitate to call me at (212) 270-7122 or Amy L. Goodman of Gibson, Dunn & Crutcher LLP at (202) 955-8653.

Sincerely,



Anthony J. Horan

AJH/gjb  
Enclosures

cc: Amy L. Goodman, Gibson, Dunn & Crutcher LLP  
Mark A Reiger, MMA, Stewardship Investing Services Manager  
Nora M. Nash, OSF, The Sisters of St. Francis of Philadelphia  
Connie Brooks, Friends Fiduciary Corporation  
Sr. Gabriella Lohan, Sisters of the Holy Spirit and Mary Immaculate

**EXHIBIT A**

RECEIVED BY THE  
OFFICE OF THE SECRETARY

NOV 14 2008



MMA<sup>®</sup>

*Stewardship Solutions*

VIA OVERNIGHT DELIVERY

November 14, 2008

James Dimon  
Chief Executive Officer  
J.P. Morgan Chase & Co.  
270 Park Avenue  
New York, NY 10017-2070

1110 North Main Street  
Post Office Box 483  
Goshen, IN 46527

Toll-free: (800) 348-7468  
Telephone: (574) 533-9511  
www.mma-online.org

Dear Mr. Dimon,

The system of consumer finance in the United States is broken and it is threatening the health of our economy and our company. Our nation's banking and lending models, which once focused on the economic health of the borrower, have been transformed over the past several decades to focus on extracting immediate profits from ever more economically unstable low- to middle-income consumers.

Once a source of convenient, short-term financing, credit cards today place a significant high-cost, long-term debt burden on our society and its economy. The implications of short-sighted and often predatory credit card policies—both as a contributor to and victim of the subprime-mortgage collapse—are becoming all-too clear. Already, our company is suffering from rapidly rising credit card defaults. Another way forward is needed—one that strengthens both our company and the consumer economy upon which we depend.

I am writing to you on behalf of the MMA Praxis Cores Stock Fund and MMA Praxis Value Index Fund, members of the MMA family of companies, and current shareholders in JP Morgan Chase. We have held shares in the company for over a year and commit to maintaining a position through the company's annual meeting. Verification of our beneficial ownership is enclosed.

MMA (Mennonite Mutual Aid) is the stewardship agency of the Mennonite Church USA with \$1.7 billion of socially invested assets under management. It is on behalf of the MMA Praxis Mutual Funds, our shareholders and constituents, that we co-file the enclosed resolution on the issue of Predatory Credit Card Lending Practices. We present it for inclusion in the proxy statement for a vote at the next stockholders meeting in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

As number of shareholders will be submitting this proposal, MMA Praxis will be serving as the lead filer for this resolution on behalf of these groups. I would appreciate receiving copies of any correspondence relating to this resolution going forward.

We look forward to the opportunity for productive dialogue regarding the issues raised in this proposal.

Sincerely,

Mark A. Regier  
Stewardship Investing Services Manager

Cc: John Liechty, MMA  
Chris Meyer, MMA  
Anthony Horan, JPMorgan Chase

## Predatory Credit Card Lending Practices

J.P. Morgan Chase & Co.

### Whereas:

With the acquisition of Washington Mutual, our company is now the largest credit card issuer in the United States, with tens of billions of dollars in outstanding credit card loans to consumers.

Amid the economic uncertainty sparked by the sub-prime mortgage crisis, some banks are turning to their high-margin credit card divisions to help offset their losses elsewhere.

In the wake of declining home values and the inability to tap into this source of funds, many Americans are turning to credit cards as a last source of capital to get them through difficult times.

According to the Federal Reserve Statistical Release, revolving debt as a percentage of total debt in US households is dramatically increasing and credit card loans are at their highest delinquency rates since 1993.

The sub-prime borrowing class is the most profitable market segment for credit card issuers, and most vulnerable to predatory practices.

Sub-prime consumers, specifically those with FICO credit scores less than 660, are often targeted with "fee harvesting" cards. These cards, which typically carry a limit of no more than \$500, can cost borrowers up to half or more of their credit limit simply in activation and maintenance fees, while positioning the cardholder to unknowingly incur late, over-the-limit and other fees.

Based on an October 2008 report by Innovest, 48% of the credit card accounts acquired by our company from Washington Mutual were classified as sub-prime, as were 19% of our company's accounts before the acquisition.

Aggressive and questionable marketing to teenagers and college students – often using poor lending criteria – has contributed to a rise in undergraduate credit card debt from an average of \$2,169 in 2004 to \$8,612 in 2006.

Provisions such as universal default, sometimes known as risk-based pricing, unfairly penalize borrowers with higher rates on accounts where they have never missed a payment.

Typical credit card practices such as bait and switch marketing, changes of mailing address, delayed billing, hidden fees and unintelligible cardholder agreements hurt consumers.

**FINAL**

**Resolved:** That the shareholders request the Board of Directors to complete a report to shareholders, prepared at reasonable cost and omitting proprietary information, evaluating with respect to practices commonly deemed to be predatory, our company's credit card marketing, lending and collection practices and the impact these practices have on borrowers.

**Supporting Statement:**

Trapping consumers in debt under predatory terms that make successful repayment virtually impossible weakens the long-term financial prospects of our company and the national economy as a whole. Credit card policies and practices designed to strengthen (rather than abuse) consumers' financial health are in the best interest of our company and its clients.

RECEIVED BY THE  
OFFICE OF THE SECRETARY

NOV 11 2008



## Northern Trust

November 12, 2008

Proof of Ownership

Mr. Chris C. Meyer  
Stewardship Investing Research Specialist  
MMA Financial Services  
1110 North Main Street  
Goshen, IN 46527

Dear Mr. Meyer

This letter is in response to your request for confirmation that the following accounts are currently the beneficial owners of **JP Morgan Chase & Co, Cusip: 46625H100**. This security is currently held by Northern Trust, as the account holder's custodian. We further more confirm that the accounts have held a minimum of \$2,000 worth of company shares continuously for one year or more.

**MMA Praxis Value Index Fund Account # ;**

**Current holding 62,658 shares of JP Morgan Chase & Co, Cusip: 46625H100**

Sincerely,

Tim Halpenny  
Vice President  
Relationship Manager  
The Northern Trust Company  
312-557-7410

NOV 11 2008



## Northern Trust

November 12, 2008

Proof of Ownership

Mr. Chris C. Meyer  
Stewardship Investing Research Specialist  
MMA Financial Services  
1110 North Main Street  
Goshen, IN 46527

Dear Mr. Meyer

This letter is in response to your request for confirmation that the following accounts are currently the beneficial owners of JP Morgan Chase & Co, Cusip: 46625H100. This security is currently held by Northern Trust, as the account holder's custodian. We further more confirm that the accounts have held a minimum of \$2,000 worth of company shares continuously for one year or more.

**MMA Praxis Core Stock Fund Account # :**

**Current holding 238,600 shares of JP Morgan Chase & Co, Cusip: 46625H100**

Sincerely,

Tim Halfpenny  
Vice President  
Relationship Manager  
The Northern Trust Company  
312-557-7410

# JPMORGAN CHASE & CO.

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

November 19, 2008

Mr. Mark Reiger  
Stewardship Investing Services Manager  
MMA Stewardship Solutions  
1110 North Main Street  
PO Box 483  
Goshen, In 46527

Dear Mr. Reiger

This will acknowledge receipt of a letter dated November 14, 2008, whereby you advised JPMorgan Chase & Co. of the intention of the MMA Praxis Cores Stock Fund and the MMA Praxis Value Index Fund (Funds) to submit a proposal to be voted upon at our 2009 Annual Meeting. The proposal is entitled "Predatory Credit Card Lending Practices."

We also acknowledge receipt of the letter dated November 12, 2008, from Northern Trust, verifying that the Funds are the beneficial owners of shares of JPMorgan Chase common stock with a market value of at least \$2,000.00 in accordance with Rule 14a-8(b)(2) of the Securities and Exchange Commission.

Sincerely,



Office of the Secretary - Tel 212-270-5936 Fax 212-270-4240



Lisa M Wells/JPMCHASE

To mark.regier@mma-online.org

12/08/2008 05:23 PM

cc Thomas O'Donnell/NAEast/FirstUSA@Exchange, Anthony

Horan/JPMCHASE@JPMCHASE

bcc Irma R. Caracciolo/JPMCHASE

Subject credit card lending practices

Hi Mark. I am attaching below a letter from Tom O'Donnell of Chase Card Services regarding our credit card lending practices. I believe this tells you a bit more about how we conduct our business, and I hope it responds to some of your concerns. Please feel free to forward it to the others in your group. If you have specific questions you'd like to discuss at our meeting on the 16th, or if you would like further information, please let me know.

We look forward to seeing you next week. (You'll let me have a list of those who are coming in person and also those who would like to be connected telephonically, right?)

Regards,  
Lisa



JPMC\_MMA 12\_08\_08.pdf



Thomas J. O'Donnell  
Senior Vice President  
Card Services

December 8, 2008

Mark A. Regier  
Stewardship Investing Services Manager  
MMA  
1110 North Main Street  
Post Office Box 483  
Goshen, IN 46527

Dear Mr. Regier,

We received your letter of November 14, 2008 regarding your submission of a shareholder resolution on behalf of MMA Praxis Mutual Funds regarding credit card practices. We appreciate your investment in our company and respect your mission of socially responsible investing. I look forward to meeting with you on December 16 in New York.

In both principle and practice, we share your concern for consumers' financial health and for the responsible granting and use of credit. Chase Card Services, the credit card division of JPMorgan Chase & Co., is committed to dealing with our customers on terms that are transparent, fair and responsible. We believe that building solid customer relationships is the best approach to long-term success in the credit card or any industry, and we have worked hard to strengthen those relationships.

Over the years, we have taken a variety of actions that reflect our willingness to listen, evaluate and change our policies and practices in order to make good on our commitment to build positive, lasting relationships. We have taken significant steps to eliminate practices that many perceive as unreasonable or unfair, and have developed tools and account options that help customers manage credit effectively and make financial decisions that are right for them.

These steps include the elimination of practices such as universal default, credit bureau-triggered repricing and double cycle billing. Nearly two years ago we began an ongoing initiative called Chase Clear & Simple—a broad collection of tools, information and business practices that can help customers easily and effectively manage their accounts, avoid fees, and increase their financial literacy.

Chase believes that the appropriate use of credit cards is a shared responsibility. Cardholders must use credit responsibly and issuing banks like Chase must treat their customers responsibly. We take our side of that equation very seriously.

We address your specific concerns as identified in your proposal, below.

#### **Sub-Prime Lending**

Chase is a careful, responsible lender and we have rigorous risk management standards in place. We do not seek to originate sub-prime relationships; the customers we seek to acquire are largely prime and super-prime—the most responsible and knowledgeable users of credit in the country—and that has been the makeup of the great majority of our customer base for a number of years.



Thomas J. O'Donnell  
Senior Vice President  
Card Services

With our recent acquisition of most of the assets of Washington Mutual Bank, we obtained its credit card portfolio. This portfolio includes a significant portion of sub-prime accounts. We have ceased Washington Mutual's sub-prime account acquisition efforts because lending to these borrowers is not part of our strategic focus. As our work to review that business continues, we plan to align strategies to our prime and super-prime business model.

Chase does not have any "fee-harvester" card products where we impose activation or maintenance fees.

### **Student Lending**

Chase's student card portfolio is very small. Still, we take seriously our responsibility to help young adults carefully enter the world of credit. We have instituted policies and practices that allow students to make informed decisions about credit cards, encourage responsible spending habits and limit the opportunities for student cardholders to get into financial trouble.

- Chase's student card portfolio is less than one percent of our total portfolio.
- Chase does not conduct student-focused credit card marketing on or near campuses and does not use student mailing lists from colleges to target students for offers.
- Chase's average credit line for new student card holders is between \$700-\$1,000 so that students can gain experience using credit and build a credit history without the ability to get deeply in debt. Credit lines for student accounts can only be increased with demonstrated responsible behavior.
- Chase's student credit card product (Chase +1) is designed to encourage and reward students for making on-time payments and responsibly managing credit. Rewards are earned for completing online credit education and for paying on time, unlike traditional rewards products where customers earn rewards based on the amount they spend.
- Chase provides student cardholders with valuable credit education and budgeting tools available through [www.chaseclearandsimple.com](http://www.chaseclearandsimple.com). Chase also sends credit education materials to all student cardholders throughout the year.

### **Universal Default**

In 2005, Chase ceased the practice of "universal default," under which a customer's rate could be automatically raised based on a single late payment to another creditor. In March 2008, we went further by eliminating the common practice of initiating an increase to a customer's interest rate based on declining credit bureau scores. We believe our pricing approach is industry leading.

### **Other Practices**

We don't engage in "bait and switch" marketing or other practices we deem to be deceptive. We also comply with all regulations related to billing practices, time to make payments and fee disclosures.

We agree that strengthening consumers' financial health is in the best interest of our company and our customers. That is the construct behind Chase's Clear & Simple initiative. It includes:

- **A path back to lower rates:** If a customer's interest rate is increased for reasons of default including paying late, exceeding the credit limit or paying with insufficient funds, Chase offers cardholders a clear path to return to a lower rate through its "rate reset" option. Customers who



Thomas J. O'Donnell  
Senior Vice President  
Card Services

sign up for automatic payments and keep their account in good standing for 12 months will have their rate automatically reset to the lower, previous rate.

- **Over-limit protections:** Customers can protect themselves against over-limit fees by choosing to have transactions declined that would cause them to exceed their credit line.
- **Free reminder systems:** To help customers avoid fees and effectively manage their accounts, Chase will alert them via email, phone or text message when they are nearing payment due dates or credit limits.
- **Choice in payment due date:** Chase customers can select their own payment due date to make it easier or more convenient to pay based on paydays, social security payments or other sources of income.
- **On-line and automatic payments:** Customers can make or pre-schedule payments on-line, or set up automatic payments so they know they will never miss a payment due date and get a fee.

More details on these account options and others, along with information and budgeting tools that can help consumers better manage their finances, are available at [www.chaseclearandsimple.com](http://www.chaseclearandsimple.com).

We will continue to work to be a company that's easy to do business with—one that is clear and straightforward and that holds up our end of the "shared responsibility" relationship. Especially now, in this challenging economic environment, Chase remains committed to open communication and to ensuring that cardholders have the best possible tools for managing their credit.

Mr. Regier, please know that as we continually review our practices, we do so with a view toward not just what is lawful but what is fair. We understand that there is a difference between doing what you can do and what you should do. That is the approach we take in making sound decisions for our customers, our business and our shareholders.

We appreciate the opportunity to respond and, again, look forward to meeting with you to further discuss our business. Please feel free to forward this response to other members of your group.

Sincerely,

Thomas J. O'Donnell  
Senior Vice President  
Chase Card Services

cc: Anthony J. Horan  
Lisa M. Wells

NOV 17 2008



THE SISTERS OF ST. FRANCIS OF PHILADELPHIA

November 14, 2008

James Dimon  
Chief Executive Officer  
J.P. Morgan Chase & Co.  
270 Park Avenue  
New York, NY 10017-2070

Dear Mr. Dimon:

Peace and all good! The Sisters of St. Francis of Philadelphia have been shareholders in JP Morgan Chase for many years. As faith-based investors we are truly concerned about the present status of credit card debt and the effect that this is having not only on the economic security of the consumer but on the reliability and sustainability of JP Morgan Chase as a sound financial institution. As our primary filer, Mark Regier, indicated, "The system of consumer finance in the United States is broken..." Hopefully, JP Morgan Chase will be a leader in dismantling this dreadful system of depending on punishing fee practices and other predatory practices to boost profitability. We ask our company to apply effective risk management principles and long term strategies to credit card policies.

As a faith-based investor, I am hereby authorized to notify you of our intention to submit this shareholder proposal with the MMA (Mennonite Mutual Aid) Praxis Mutual Funds for consideration and action by the shareholders at the 2009 annual meeting. I hereby submit it for inclusion in the proxy statement 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 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: Mark A. Regier, Stewardship Investing Services Manager. Contact information: [Mark.Regier@mma-online.org](mailto:Mark.Regier@mma-online.org) or 574-533-5264.

As verification that we are beneficial owners of common stock in JP Morgan Chase, I enclose a letter from Northern Trust Company, our portfolio custodian/record holder attesting to the fact. It is our intention to keep these shares in our portfolio at least until after the annual meeting.

Respectfully yours,

*Nora M. Nash, OSF*

Nora M. Nash, OSF  
Director, Corporate Social Responsibility

Enclosures

cc:

Gary Brouse, ICCR  
Julie Wokaty, ICCR

**FINAL**

## **Predatory Credit Card Lending Practices**

**J.P. Morgan Chase & Co.**

### **Whereas:**

With the acquisition of Washington Mutual, our company is now the largest credit card issuer in the United States, with tens of billions of dollars in outstanding credit card loans to consumers.

Amid the economic uncertainty sparked by the sub-prime mortgage crisis, some banks are turning to their high-margin credit card divisions to help offset their losses elsewhere.

In the wake of declining home values and the inability to tap into this source of funds, many Americans are turning to credit cards as a last source of capital to get them through difficult times.

According to the Federal Reserve Statistical Release, revolving debt as a percentage of total debt in US households is dramatically increasing and credit card loans are at their highest delinquency rates since 1993.

The sub-prime borrowing class is the most profitable market segment for credit card issuers, and most vulnerable to predatory practices.

Sub-prime consumers, specifically those with FICO credit scores less than 660, are often targeted with "fee harvesting" cards. These cards, which typically carry a limit of no more than \$500, can cost borrowers up to half or more of their credit limit simply in activation and maintenance fees, while positioning the cardholder to unknowingly incur late, over-the-limit and other fees.

Based on an October 2008 report by Innovest, 48% of the credit card accounts acquired by our company from Washington Mutual were classified as sub-prime, as were 19% of our company's accounts before the acquisition.

Aggressive and questionable marketing to teenagers and college students – often using poor lending criteria – has contributed to a rise in undergraduate credit card debt from an average of \$2,169 in 2004 to \$8,612 in 2006.

Provisions such as universal default, sometimes known as risk-based pricing, unfairly penalize borrowers with higher rates on accounts where they have never missed a payment.

Typical credit card practices such as bait and switch marketing, changes of mailing address, delayed billing, hidden fees and unintelligible cardholder agreements hurt consumers.

**FINAL**

**Resolved:** That the shareholders request the Board of Directors to complete a report to shareholders, prepared at reasonable cost and omitting proprietary information, evaluating with respect to practices commonly deemed to be predatory, our company's credit card marketing, lending and collection practices and the impact these practices have on borrowers.

**Supporting Statement:**

Trapping consumers in debt under predatory terms that make successful repayment virtually impossible weakens the long-term financial prospects of our company and the national economy as a whole. Credit card policies and practices designed to strengthen (rather than abuse) consumers' financial health are in the best interest of our company and its clients.

The Northern Trust Company  
50 South La Salle Street  
Chicago, Illinois 60675  
312-630-6000

RECEIVED BY THE  
OFFICE OF THE SECRETARY



**Northern Trust**

November 6, 2008

To Whom It May Concern:

This letter will verify that the Sisters of St. Francis of Philadelphia hold at least \$2,000 worth of JP Morgan Chase. These shares have been held for more than one year and will be held at the time of your next annual meeting.

The Northern Trust Company serves as custodian/holder of record for the Sisters of St. Francis of Philadelphia. The above mentioned shares are registered in a nominee name of the Northern Trust.

This letter will further verify that Sister Nora M. Nash and /or Thomas McCaney are representatives of the Sisters of St. Francis of Philadelphia and are authorized to act in their behalf.

Sincerely,

Sanjay Singhal  
Vice President

JPMORGAN CHASE & CO.

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

November 19, 2008

Sister Nora M. Nash, OSF  
Director, Corporate Social Responsibility  
The Sisters of St. Francis of Philadelphia  
609 South Convent Road  
Aston, PA 19014-1207

Dear Sister Nora:

This will acknowledge receipt of a letter dated November 14, 2008, whereby you advised JPMorgan Chase & Co. of the intention of The Sisters of St. Francis of Philadelphia to submit a proposal to be voted upon at our 2009 Annual Meeting. The proposal is entitled "Predatory Credit Card Lending Practices."

We also acknowledge receipt of the letter dated November 12, 2008, from Northern Trust, verifying that The Sisters of St. Francis of Philadelphia are the beneficial owners of shares of JPMorgan Chase common stock with a market value of at least \$2,000.00 in accordance with Rule 14a-8(b)(2) of the Securities and Exchange Commission.

Sincerely,



11/24/08

# FRIENDS FIDUCIARY

CORPORATION

TELEPHONE  
215 / 241 7272

FRIENDS CENTER / 1515 CHERRY STREET  
PHILADELPHIA PA 19102

FACSIMILE  
215 / 241 7871

November 24, 2008

James Dimon  
Chief Executive Officer  
J.P. Morgan Chase & Co.  
270 Park Avenue  
New York, NY 10017-2070

Dear Mr. Dimon,

The system of consumer finance in the United States is broken and it is threatening the health of our economy and our company. Our nation's banking and lending models, which once focused on the economic health of the borrower, have been transformed over the past several decades to focus on extracting immediate profits from ever more economically unstable low- to middle-income consumers.

Once a source of convenient, short-term financing, credit cards today place a significant high-cost, long-term debt burden on our society and its economy. The implications of short-sighted and often predatory credit card policies—both as a contributor to and victim of the subprime-mortgage collapse—are becoming all-too clear. Already, our company is suffering from rapidly rising credit card defaults. Another way forward is needed—one that strengthens both our company and the consumer economy upon which we depend.

Friends Fiduciary Corporation is the beneficial owner of more than 30,000 shares of JP Morgan Chase & Co. common stock. We have held the requisite amount of stock for over a year and intend to maintain ownership through the annual meeting in 2009. Verification of our ownership is enclosed.

Friends Fiduciary Corporation is therefore submitting the enclosed shareholder proposal, "Predatory Credit Card Lending Practices." We are co-filing with Mennonite Mutual Aid (MMA), as well as several other shareholders, for inclusion in the proxy statement for consideration and action by the shareholders at the 2009 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 filing the resolution will attend the annual meeting to move the resolution as required by SEC rules. For matters relating to this proposal, contact Mark Regier at 574-533-9515, ext. 532, or [mark.regier@mna-online.org](mailto:mark.regier@mna-online.org).

We look forward to the opportunity for productive dialogue regarding the issues raised in this proposal.

Sincerely,

A handwritten signature in cursive script that reads "Connie Brookes".

Connie Brookes  
Executive Director, Friends Fiduciary Corporation

Enclosed:    Verification of ownership  
                 Resolution

## **Predatory Credit Card Lending Practices**

**J.P. Morgan Chase & Co.**

### **Whereas:**

With the acquisition of Washington Mutual, our company is now the largest credit card issuer in the United States, with tens of billions of dollars in outstanding credit card loans to consumers.

Amid the economic uncertainty sparked by the sub-prime mortgage crisis, some banks are turning to their high-margin credit card divisions to help offset their losses elsewhere. In the wake of declining home values and the inability to tap into this source of funds, many Americans are turning to credit cards as a last source of capital to get them through difficult times.

According to the Federal Reserve Statistical Release, revolving debt as a percentage of total debt in US households is dramatically increasing and credit card loans are at their highest delinquency rates since 1993.

The sub-prime borrowing class is the most profitable market segment for credit card issuers, and most vulnerable to predatory practices.

Sub-prime consumers, specifically those with FICO credit scores less than 660, are often targeted with "fee harvesting" cards. These cards, which typically carry a limit of no more than \$500, can cost borrowers up to half or more of their credit limit simply in activation and maintenance fees, while positioning the cardholder to unknowingly incur late, over-the-limit and other fees.

Based on an October 2008 report by Innovest, 48% of the credit card accounts acquired by our company from Washington Mutual were classified as sub-prime, as were 19% of our company's accounts before the acquisition.

Aggressive and questionable marketing to teenagers and college students -- often using poor lending criteria -- has contributed to a rise in undergraduate credit card debt from an average of \$2,169 in 2004 to \$8,612 in 2006.

Provisions such as universal default, sometimes known as risk-based pricing, unfairly penalize borrowers with higher rates on accounts where they have never missed a payment. Typical credit card practices such as bait and switch marketing, changes of mailing address, delayed billing, hidden fees and unintelligible cardholder agreements hurt consumers.

**Resolved:** That the shareholders request the Board of Directors to complete a report to shareholders, prepared at reasonable cost and omitting proprietary information, evaluating with respect to practices commonly deemed to be predatory, our company's credit card marketing, lending and collection practices and the impact these practices have on borrowers.

**Supporting Statement:**

Trapping consumers in debt under predatory terms that make successful repayment virtually impossible weakens the long-term financial prospects of our company and the national economy as a whole. Credit card policies and practices designed to strengthen (rather than abuse) consumers' financial health are in the best interest of our company and its clients.



Institutional Trust And Custody  
50 South 16<sup>th</sup> Street  
Suite 2000  
Philadelphia, PA 19102

November 6, 2008

To Whom It May Concern:

This letter is to verify that **Friends Fiduciary Corporation** owns more than **25,000** shares of **JP Morgan Chase & Co.** common stock. **Friends Fiduciary Corporation** will have owned the required amount of securities on **12/1/08** and has continuously owned at least the required amount of securities for more than 12 months prior to the **12/1/08**. At least the minimum number of shares required will continue to be held through the time of the company's next annual meeting.

This security is currently held by **US Bank NA** who serves as custodian for **Friends Fiduciary Corporation**. The shares are registered in our nominee name at **Depository Trust Company**.

Sincerely,

**Carol L Hopewell**  
Account manager, AVP  
215-761-9337

JPMORGAN CHASE & CO.

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

December 2, 2008

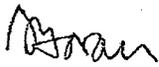
Ms. Connie Brooks  
Executive Director  
Friends Fiduciary Corporation  
Friends Center  
1515 Cherry Street  
Philadelphia, PA 19102

Dear Ms. Brooks:

This will acknowledge receipt of a letter dated November 24, 2008, whereby you advised JPMorgan Chase & Co. of the intention of Friends Fiduciary Corporation to submit a proposal to be voted upon at our 2009 Annual Meeting. The proposal is entitled "Predatory Credit Card Lending Practices."

We also acknowledge receipt of the letter dated November 6, 2008, from US Bank NA, verifying that Friends Fiduciary Corporation is the beneficial owner of shares of JPMorgan Chase common stock with a market value of at least \$2,000.00 in accordance with Rule 14a-8(b)(2) of the Securities and Exchange Commission.

Sincerely,





Office Of The Treasurer

Sisters of the Holy Spirit  
and Mary Immaculate

RECEIVED IN THE  
OFFICE OF THE SECRETARY

November 30, 2008

James Dimon  
Chief Executive Officer, J.P. Morgan Chase & Co.  
270 Park Avenue  
New York, NY 10017-2070

Dear Mr. Dimon,

I am writing on behalf of The Sisters of the Holy Spirit and Mary Immaculate. The system of consumer finance in the United States is broken and it is threatening the health of our economy and our company. Our nation's banking and lending models, which once focused on the economic health of the borrower, have been transformed over the past several decades to focus on extracting immediate profits from ever more economically unstable low- to middle-income consumers.

Once a source of convenient, short-term financing, credit cards today place a significant high-cost, long-term debt burden on our society and its economy. The implications of short-sighted and often predatory credit card policies—both as a contributor to and victim of the sub prime-mortgage collapse—are becoming all-too clear. Already, our company is suffering from rapidly rising credit card defaults. Another way forward is needed—one that strengthens both our company and the consumer economy upon which we depend.

I am hereby authorized to notify you of our intention to co-file this shareholder proposal on predatory credit card practices with the MMA Praxis for consideration and action by the shareholders at the 2009 annual meeting. I hereby submit this resolution for inclusion in the proxy statement in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. We are the owners of at least \$2,000 worth of the shares of JP Morgan Chase & Co. stock and intend to hold \$2,000 worth through the date of the 2009 Annual Meeting. Verification of ownership will follow. A representative of the shareholders will attend the annual meeting to move the resolution as required by SEC rules. 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: Mark A. Regier – Stewardship Investing Services Manager, MMA. Contact information: [mark.regier@mma-online.org](mailto:mark.regier@mma-online.org) or 574-533-9515 X 532.

Sincerely,

Sr. Gabriella Lohan

Enclosure: 2009 Shareholder Resolution

Holy Spirit Convent

301 Yuc 7 reet 2330 No. 2330 Antonio, Texas 78203-2399 • Sisters of the Holy Spirit • Dec 1, 2008 3:30PM

**Predatory Credit Card Lending Practices**  
**J.P. Morgan Chase & Co.**

**Whereas:**

With the acquisition of Washington Mutual, our company is now the largest credit card issuer in the United States, with tens of billions of dollars in outstanding credit card loans to consumers.

Amid the economic uncertainty sparked by the sub-prime mortgage crisis, some banks are turning to their high-margin credit card divisions to help offset their losses elsewhere.

In the wake of declining home values and the inability to tap into this source of funds, many Americans are turning to credit cards as a last source of capital to get them through difficult times.

According to the Federal Reserve Statistical Release, revolving debt as a percentage of total debt in US households is dramatically increasing and credit card loans are at their highest delinquency rates since 1993.

The sub-prime borrowing class is the most profitable market segment for credit card issuers, and most vulnerable to predatory practices.

Sub-prime consumers, specifically those with FICO credit scores less than 660, are often targeted with "fee harvesting" cards. These cards, which typically carry a limit of no more than \$500, can cost borrowers up to half or more of their credit limit simply in activation and maintenance fees, while positioning the cardholder to unknowingly incur late, over-the-limit and other fees.

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Typical credit card practices such as bait and switch marketing, changes of mailing address, delayed billing, hidden fees and unintelligible cardholder agreements hurt consumers.

**Resolved:** That the shareholders request the Board of Directors to complete a report to shareholders, prepared at reasonable cost and omitting proprietary information, evaluating with respect to practices commonly deemed to be predatory, our company's credit card marketing, lending and collection practices and the impact these practices have on borrowers.

**Supporting Statement:**

Trapping consumers in debt under predatory terms that make successful repayment virtually impossible weakens the long-term financial prospects of our company and the national economy as a whole. Credit card policies and practices designed to strengthen (rather than abuse) consumers' financial health are in the best interest of our company and its clients.

**Predatory Credit Card Lending Practices**  
**J.P. Morgan Chase & Co.**

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JPMORGAN CHASE & CO.

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

December 2, 2008

Sister Gabriella Lohan  
Office of the Treasurer  
Sisters of the Holy Spirit and Mary Immaculate  
301 Yuc Street  
San Antonio, TX 78203-2399

Dear Sister Gabriella:

This will acknowledge receipt of the letter dated November 30, 2008, advising JPMorgan Chase & Co. of the intention of the Sisters of the Holy Spirit and Mary Immaculate (Sisters of the Holy Spirit), to submit a proposal to be voted upon at our 2009 Annual Meeting. The proposal is entitled Predatory Credit Card Lending Practices.

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. The Company's stock records do not indicate that the Sisters of the Holy Spirit are the record owners of sufficient shares to satisfy this requirement and we did not receive proof from the Sisters of the Holy Spirit that it has satisfied Rule 14a-8's ownership requirements as of the date that the proposal was submitted to JPM.

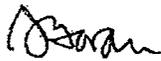
To remedy this defect, you must submit sufficient proof of the Sisters of the Holy Spirit's ownership of JPM shares. As explained in Rule 14a-8(b), sufficient proof may be in the form of:

- a written statement from the "record" holder of the Sisters of the Holy Spirit's shares (usually a broker or a bank) verifying that, as of the date the proposal was submitted, it continuously held the requisite number of JPM shares for at least one year; or
- if it have filed a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting its ownership of JPM 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 it 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 referencce, 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 be "B. Moran" or similar, written in a cursive style.

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

## Rule 14a-8 of the Securities Exchange Act of 1934

### 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.

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Post Office Box 1600  
San Antonio, Texas 78296-1600

(210) 220-4438  
FAX (210) 220-5209

November 30, 2008

Mr. James Dimon, CEO  
JP Morgan Chase  
270 Park Avenue  
New York, NY 10017-2070

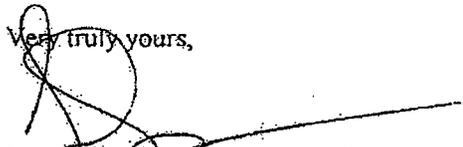
RE: Holy Spirit Trust  
Holy Spirit Ministry Support Fund Agency

Dear Mr. Dimon:

I have been instructed by Sister Gabriella Lohan, the general treasurer of The Sisters of the Holy Spirit and Mary Immaculate, to confirm to you by this letter, that the above referenced accounts hold JP Morgan Chase stock valued in excess of \$2,000.00, and have held such stock for more than one year. We have been further instructed to hold such stock at least through JP Morgan Chase's next annual shareholder meeting.

Specifically, account [redacted], The Holy Spirit Trust has 2,250 shares of JP Morgan Chase valued in excess of \$2,000.00 dollars and such stock has been held at the Frost National Bank in excess of one year. In addition, account [redacted] Holy Spirit Ministry Support Fund Agency has 250 shares of JP Morgan Chase stock valued in excess of \$2,000.00 and such stock has been held at the Frost National Bank in excess of one year.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,  
  
John H. Ferguson IV  
Vice President

JHF/trs

cc: Sister Gabriella Lohan  
Ted Davis