

**UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
Release No. 9230 / June 29, 2011

**SECURITIES EXCHANGE ACT OF 1934**  
Release No. 64774 / June 29, 2011

**In the Matter of  
JPMorgan Chase & Co.,  
Respondent.**

**ORDER UNDER SECTION 27A(b)  
OF THE SECURITIES ACT OF 1933  
AND SECTION 21E(b) OF THE  
SECURITIES EXCHANGE ACT OF  
1934, GRANTING WAIVERS OF  
THE DISQUALIFICATION  
PROVISIONS OF SECTION  
27A(b)(1)(A)(ii) OF THE  
SECURITIES ACT OF 1933 AND  
SECTION 21E(b)(1)(A)(ii) OF THE  
SECURITIES EXCHANGE ACT OF  
1934 AS TO JPMORGAN CHASE &  
CO. AND ITS AFFILIATES**

JPMorgan Chase & Co. (“JPMorgan”) has submitted a letter on behalf of itself and its affiliates, dated June 22, 2011, for a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (“Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (“Exchange Act”) arising from a settlement of an injunctive action filed by the Commission against JPMorgan’s subsidiary, J.P. Morgan Securities LLC (f/k/a J.P. Morgan Securities Inc.) (“J.P. Morgan Securities” or “Defendant”).

On June 21, 2011, the Commission filed a civil injunctive action in U.S. District Court for the Southern District of New York charging Defendant with violating the antifraud provisions of the federal securities laws. The conduct of J.P. Morgan Securities alleged in the complaint in the Action involved an offering of a largely synthetic CDO whose portfolio consisted primarily of credit default swaps referencing other CDO securities. The complaint alleged that J.P. Morgan Securities represented in marketing materials that the collateral manager selected the CDO’s investment portfolio but failed to disclose that the hedge fund that purchased the subordinated notes (or “equity”), which also took the short position on roughly half of the portfolio’s assets, played a significant role in the selection process. On June 29, 2011, pursuant to Defendant’s consent, the Southern District of New York entered a Final Judgment permanently enjoining Defendant from violating Sections 17(a)(2) and (3) of the Securities Act, requiring Defendant to pay disgorgement and a penalty, and requiring Defendant to comply with specified remedial undertakings.

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward looking statement that is “made with respect to the business or operations of an issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of a judicial or administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the federal securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]” Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived “to the extent otherwise specifically provided by rule, regulation, or order of the Commission.” Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act.

Based on the representations set forth in JPMorgan’s letter, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the Judgment is appropriate and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to JPMorgan and its affiliates resulting from the entry of the Judgment is hereby granted.

By the Commission.

Elizabeth M. Murphy  
Secretary