



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

DIVISION OF
CORPORATION FINANCE

November 4, 2009

Ms. Stephanie Avakian
Wilmer Cutler Pickering Hale and Dorr LLP
399 Park Avenue
New York, NY 10022

Re: In the Matter of J.P. Morgan Securities Inc.
**JPMorgan Chase & Co. – Waiver Request of Ineligible Issuer Status under Rule 405
of the Securities Act**

Dear Ms. Avakian:

This is in response to your letter dated October 27, 2009, written on behalf of JPMorgan Chase & Co. (Company) and its wholly-owned subsidiary J.P. Morgan Securities Inc. (JPMSI) and constituting an application for relief from the Company being considered an “ineligible issuer” under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). The Company requests relief from being considered an “ineligible issuer” under Rule 405, due to the entry on November 4, 2009, of a Commission Order (Order) pursuant to Section 8A of the Securities Act and Sections 15(b) and 21C of the Securities Exchange Act of 1934, naming JPMSI as a respondent. The Order, among other things, requires that JPMSI cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) and 17(a)(3) of the Securities Act.

Based on the facts and representations in your letter, and assuming the Company and JPMSI comply with the Order, the Commission, pursuant to delegated authority has determined that the Company has made a showing of good cause under Rule 405(2) and that the Company will not be considered an ineligible issuer by reason of the entry of the Order. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted. Any different facts from those represented or non-compliance with the Order might require us to reach a different conclusion.

Sincerely,

A handwritten signature in cursive script that reads "Mary Kosterlitz".

Mary Kosterlitz
Chief, Office of Enforcement Liaison
Division of Corporation Finance

Stephanie Avakian

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October 27, 2009

BY E-MAIL & FEDEX

Mary J. Kosterlitz, Esq.
Chief, Office of Enforcement Liaison
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Re: *In the Matter of Jefferson County Municipal Bonds*, SEC File No. FL-3218

Dear Ms. Kosterlitz:

We submit this application on behalf our client, JPMorgan Chase & Co. (“JPMC”), in connection with a settlement arising out of the above-captioned investigation by the Securities and Exchange Commission (the “Commission”). The anticipated settlement will result in the issuance of an order that is described below against J.P. Morgan Securities Inc. (“JPMSI”), a broker-dealer affiliated with JPMC (the “Order”).

Pursuant to Rule 405 promulgated under the Securities Act of 1933 (the “Securities Act”), JPMC hereby requests that the Commission determine that for good cause shown it is not necessary under the circumstances that JPMC be considered an “ineligible issuer” under Rule 405. JPMC requests that this determination be effective as of the date of the entry of the Order. The Staff of the Division of Enforcement has informed JPMC that it does not object to the Commission providing the requested determination.

BACKGROUND

The Staff of the Division of Enforcement and JPMSI engaged in settlement discussions in connection with the contemplated administrative proceeding arising out of the above-captioned investigation. As a result of these discussions, JPMSI has submitted an Offer of Settlement (the “Offer”) to be presented to the Commission. In the Offer, JPMSI has agreed to consent to the entry of the Order, without admitting or denying the findings contained therein (other than those relating to the jurisdiction of the Commission, which are admitted solely for purposes of the

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proceedings). In the Order, the Commission will make findings that JPMSI made payments to certain third parties in connection with certain swap transactions and bond offerings related to Jefferson County, Alabama, and that JPMSI failed to disclose these payments in swap agreement confirmations or bond official statements. The Order will find that as a result of its activities, JPMSI violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, Section 15B(c)(1) of the Securities Exchange Act of 1934 and Rule G-17 of the Municipal Securities Rulemaking Board. Based on these findings and JPMSI's undertakings to take certain actions identified in the proposed Order, the Order will censure JPMSI, order it to cease and desist from committing or causing any violation of the regulations listed above, and order it to pay disgorgement of \$1.00 and a civil money penalty of \$25,000,000.

DISCUSSION

In 2005, the Commission revised the registration, communications, and offering processes under the Securities Act.^{1/} As part of this offering reform, the Commission revised Securities Act Rule 405, creating a new category of issuer, the "well-known seasoned issuer," and a new category of offering communication, the "free writing prospectus." A well-known seasoned issuer is eligible for important reforms that have changed the way corporate finance transactions for larger issuers are planned and structured. These reforms include the ability to "file-and-go" (*i.e.*, eligibility for automatically effective shelf registration statements) and "pay-as-you-go" (*i.e.*, the ability to pay filing fees as the issuer sells securities off the shelf). These reforms have removed the risk of regulatory delay in connection with capital formation. In addition, well-known seasoned issuers are provided with the most flexibility in terms of communications, including the ability to use free writing prospectuses in advance of filing a registration statement.

The Commission also created another category of issuer under Rule 405, the "ineligible issuer." An ineligible issuer is excluded from the category of "well-known seasoned issuer" and is ineligible to make communications by way of free writing prospectuses, except in limited circumstances.^{2/} As a result, an ineligible issuer that would otherwise be a well-known seasoned issuer does not have access to file-and-go or pay-as-you-go, and cannot use most free writing prospectuses.

Securities Act Rule 405 authorizes the Commission to determine, "upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an

^{1/} See Securities Offering Reform, Securities Act Release No. 8591, Exchange Act Release No. 52,056, Investment Company Act Release No. 26,993, 70 Fed. Reg. 44,722, 44,790 (Aug. 3, 2005).

^{2/} See Securities Act Rules 164(e), 405 & 433, 17 C.F.R. §§ 230.164(e), 230.405 & 230.433.

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ineligible issuer.”^{3/} The Commission has delegated the function of granting or denying such applications to the Director of the Division of Corporation Finance.^{4/}

JPMC understands that the entry of the Order would make JPMC an ineligible issuer under Rule 405. If JPMC is not an ineligible issuer, it would continue to qualify as a well-known seasoned issuer, and, therefore, have access to file-and-go and other reforms available to well-known seasoned issuers, and would continue to be eligible to take advantage of all of the free writing prospectus reforms of Rules 164 and 433.

JPMC respectfully requests that the Commission determine that it is not necessary for JPMC to be considered an ineligible issuer. Applying the ineligibility provisions to JPMC would be disproportionately and unduly severe, for the following reasons:

1. The conduct addressed in the Order does not pertain to activities undertaken by JPMC, its affiliates, or its subsidiaries in connection with JPMC’s role as an issuer of securities (or any disclosure related thereto) or any of its filings with the Commission.
2. JPMC, its affiliates, and its subsidiaries have a strong record of compliance with the securities laws and have cooperated with the investigation into this matter by the Division of Enforcement.
3. The Order is the result of substantial negotiations between JPMSI and the Commission’s Division of Enforcement. Its terms have been carefully crafted to meet and balance the competing concerns of all involved. JPMSI has undertaken to take certain actions identified in the proposed Order and has been ordered to pay a substantial penalty. Applying ineligible issuer status to JPMC would, in effect, unfairly impose an additional punishment beyond the agreed-upon settlement terms negotiated by JPMSI in good faith.

In light of these considerations, we believe there is good cause to determine that JPMC should not be considered an ineligible issuer under Rule 405. We respectfully request the Commission to make that determination.

^{3/} Securities Act Rule 405, 17 C.F.R. § 230.405.

^{4/} 17 C.F.R. § 200.30-1(a)(10).

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Please contact me at the above listed telephone number if you have any questions regarding this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephanie Avakian', with a stylized flourish at the end.

Stephanie Avakian

cc: Stephen M. Cutler, Esq., JPMorgan Chase Legal Department
Scott G. Campbell, Esq., JPMorgan Chase Legal Department
Robert B. McCaw, Esq., Wilmer Cutler Pickering Hale and Dorr LLP