profit, despite the potential effect on other market participants. Ultimately, the conspiracy was carried out by a small group of traders in organizations collectively employing hundreds of thousands of people. And when the Defendant became aware of the conduct, it promptly began cooperating with the United States. While the Defendant committed a serious offense, it has accepted responsibility and has taken significant steps to remedy the conduct.

2. Seriousness of the Misconduct, Respect for Law, Deterrence and Protection from Other Crimes (18 U.S.C. § 3553(a)(2)(A))

Antitrust conspiracies are by their very nature serious offenses. According to the background comments in the antitrust guideline, "there is near universal agreement that restrictive agreements among competitors, such as horizontal price-fixing (including bid-rigging) and horizontal market-allocation, can cause serious economic harm." U.S.S.G. § 2R1.1 cmt. backg'd. The conspiracy charged in the Information affected one of the largest and most important markets in the global economy, continuing for a number of years and impacting market participants throughout the world. Because of the seriousness of the offense the United States has insisted on substantial monetary penalties. The Defendant has also made changes to its compliance programs, to ensure that the charged conduct does not recur. But the United States also recognizes that the conduct, while serious, was limited to a small part of the Defendant's operations. This conduct involved a trader who, while invested with significant responsibility in connection with the Defendant's role as a dealer in the FX Spot Market, was not a member of the Defendant's senior management.

The significant criminal fine of $550 million recommended in resolution of this matter provides deterrence to similar conduct and promotes respect for law. The criminal fine, if approved by the Court, will be among the largest fines ever imposed for an antitrust violation. Fines of this magnitude deter similar wrongdoing. Yet the proposed fine is proportionate and

reasonable, given the fact that the Defendant has also resolved with other regulatory authorities, and paid substantial civil penalties including: a $352 million penalty to the U.K. Financial Conduct Authority; a $310 million penalty to the U.S. Commodities Futures Trading Commission; a $350 million penalty to the Office of the Comptroller of the Currency; and a $342 million penalty to the Board of Governors of the Federal Reserve. Moreover, by charging the parent-level organization, the proposed resolution demonstrates that the United States will hold corporations responsible for the conduct of all of its employees, when appropriate. This will similarly deter future misconduct by employees in large organizations. Finally, the Defendant's unequivocal acceptance of responsibly for its conduct promotes a respect for law and serves as a positive example for others.

3. Measures to Protect the Public from Further Crimes of the Defendant and to Discipline Employees Responsible for the Offense (18 U.S.C. §§ 3553(a)(2)(A), 3572(a)(8)

The Defendant has made improvements to its compliance program, which will protect against similar crimes. For example, the Defendant has undertaken broad initiatives to enhance business practices to reduce potential conduct issues. These include a Culture of Conduct initiative, designed to advance compliance with laws and regulations. The Defendant also commenced a review of its business practices, which has resulted in enhanced sales and trading guidelines. These Guidelines are communicated annually to nearly 3000 global sales and trading staff. The Defendant has also made specific changes to its compliance measures in response to the conduct at issue in this case. Such new controls are designed to prevent the recurrence of the same offense, including new limits regarding chats and messaging groups involving competitors, and increased surveillance of communications. Taken together, these measures are a significant step by the Defendant designed to protect against similar conduct in the future.

The Defendant has also agreed, as a condition of probation, to report potential criminal violations to both the Antitrust Division and the Criminal Division. This reporting, covering a period of three years, will ensure continuing communication between the Defendant and the United States. As a result, the parties will be able to identify and address potentially problematic conduct.

Finally, the Defendant took remedial steps designed to assess the involvement of any employees in the offense, and to discipline any determined to be involved. The individual responsible for the offense is no longer employed by the Defendant.

V. Probation and Restitution

Pursuant to 18 U.S.C. § 3561(c)(1), the Court may impose a term of probation of at least one year, but not more than five years. In considering whether to impose a term of probation the Court should consider the factors set forth in 18 U.S.C. § 3553(a). *See* 18 U.S.C. § 3562. The Court should also consider the factors in U.S.S.G. § 8D1.1 that set forth the circumstances under which a sentence to a term of probation is required.

Pursuant to the Plea Agreement, the parties have agreed to recommend that the Court impose a term of probation of 3 years. During the term of probation, the Defendant has agreed, among other things, to report credible information regarding violations of U.S. antitrust law, as well as U.S. law concerning fraud, including commodities and securities fraud. The Defendant has also agreed to report, in certain contexts, investigations involving the Defendant conducted by other governmental authorities. The full conditions of probation proposed by the parties are set forth in Paragraph 9 (c) of the Defendant's Plea Agreement.

Pursuant to 18 U.S.C. § 3563(b)(2), the Court may order the Defendant to pay restitution. The potential victims in this matter have available a number of civil causes of action, which

potentially provide for a recovery of a multiple of the actual damages caused by the charged conduct. In light of the availability of these civil causes of action, the parties have agreed not to recommend that the Court impose an order of restitution. The Defendant has already made significant efforts to pay restitution to potential victims by settling certain private actions relevant to this matter, including a settlement in the amount of $105,500,000 awaiting court approval.

VI. Motion for Substantial Assistance Departure

The Defendant provided timely, useful and substantial assistance to the United States' investigation into conduct in the FX Spot Market. In consideration of the factors under 18 U.S.C. §§ 3553(a) and 3572 as discussed above, and for the reasons set forth below, pursuant to U.S.S.G. § 8C4.1, the United States moves for a downward departure to reduce the Defendant's guidelines fine to $550 million.

1. The Significance and Usefulness of the Assistance

The United States' wide-ranging investigation into conduct in the FX Spot Market involved the review of enormous volumes of electronic and telephonically recorded conversations collected over a number of years, the interviews of hundreds of witnesses, and the analysis of complex trade data detailing substantial FX transactions, and involving entities throughout the world. For over a year and half leading to the proposed resolution in this matter, the Defendant provided information to assist the investigations conducted by both the Antitrust Division and the Criminal Division. This cooperation continues to this day.

In its investigations into antitrust conspiracies, the United States relies heavily on the cooperation of insiders, because such conspiracies are inherently secretive. This is especially true in this case, in which much of the evidence of the conduct was contained in an exclusive

chat room which could only be viewed by the chat participants themselves. As an added complexity, the communications in this chat room were often filled with dense jargon, describing highly technical trading strategies, and conveyed frequently in shorthand. The Defendant provided valuable assistance by explaining how the FX Spot Market operates, and by defining and decoding certain jargon traders use when describing their actions in the market, sometimes via a line-by-line review of chat transcripts. This allowed the United States to more effectively question witnesses during its investigation, and helped guide the analysis of the evidence obtained. Moreover, while the EUR/USD currency pair is the focus of the charges in this matter, when the investigation began the United States examined conduct in multiple currencies, involving a number of different chat rooms. The Defendant's assistance helped narrow the scope and focus of the investigation.

The Defendant produced large amounts of trade, order, and sales data to the United States. To assist the investigation, the Defendant compiled and analyzed this data, much of which resided in older systems. The Defendant also produced data from different trading desks around the world, thus providing the United States with a comprehensive data set to rely upon in its investigation. This data was of critical importance to the United States because it was used, in part, to quantify the harm caused by the conduct in determining the appropriate fine. But the relevant trade data was itself also important evidence of the conduct because in many instances, the data corroborated statements made by the traders in the Cartel Chat.

The Defendant also provided significant and useful assistance by bringing certain evidence to the attention of the United States concerning a potential antitrust conspiracy in the FX Spot Market, separate from the conspiracy charged in the Information, and involving different currencies. In connection with this cooperation the Defendant has produced documents,

audio files, and trade data; identified certain relevant evidence; and conducted factual presentations on the conduct at issue. The United States has an ongoing investigation into this conduct, which the Defendant has advanced through its cooperation.

2. The Nature, Extent and Timeliness of the Assistance

The Defendant provided timely and extensive assistance. This cooperation involved responses to numerous requests from both the Antitrust and Criminal Division, which often required the Defendant to quickly and simultaneously provide information about different conduct of interest to the different Divisions, involving different groups of employees, in various business functions. In addition, the Defendant undertook a period of accelerated cooperation at a critical phase of the investigation, which included a massive effort to focus on specific conduct relating to the Defendant's sales practices.

The Defendant conducted a significant investigation of its own in order to cooperate with the United States. This included the collection and processing of over 90 million documents. Because the Defendant maintained a regular dialogue with the United States, the Defendant was able to respond to specific investigative needs of the United States and assist in developing approximately 1,000 search terms. This collaboration permitted the focused review of the documents of more than 40 custodians. The Defendant reviewed and reported on nearly 4 million documents, significantly streamlining the United States' investigation and saving substantial government resources by identifying extraneous materials while dedicating its own significant resources to doing so. The Defendant also undertook the complex and laborious task of reviewing audio files at the United States' request. The review of audio is particularly labor intensive, and the Defendant reviewed 114,000 files totaling in excess of 1,500 hours.

The United States relies heavily on evidence provided by witnesses. The Defendant substantially advanced the United States' investigation in this regard, by encouraging employees to cooperate and facilitating interviews conducted by the United States. The Defendant responded to 159 separate requests for information made by the United States. Such cooperation was important because it allowed the United States to focus the interviews it conducted as part of its investigation. The Defendant greatly assisted in obtaining additional evidence, and conducted at least 41 interviews as part of its own investigation.

The Defendant's cooperation included extensive, regular reporting to the United States. This improved the investigative efforts of both parties. The Defendant responded to and accommodated the United States by adjusting the Defendant's own investigation in response to the United States' investigative focus. Of particular note is the massive effort the Defendant undertook to meet an accelerated investigative schedule the United States requested during a crucial phase of the investigation. During a three-month period, the Defendant increased its already brisk investigative pace tailored to precise investigative needs of the United States.

The Defendant provided substantial assistance to the investigation. This assistance was comprehensive, useful and timely. It significantly advanced the United States' investigation and contributed to an expeditious resolution with three separate defendants. A downward departure from the Defendant's Sentencing Guidelines fine is therefore appropriate.

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VII. Recommendation

Pursuant to the 11(c)(1)(C) Plea Agreement between the United States and the Defendant, the United States requests that the Court depart downward from the Defendant's Sentencing Guidelines fine, and recommends that the Court impose: a fine of $550 million, payable in full before the fifteenth day after the date of judgment; a period of probation of 3 years, with the conditions set forth in the Plea Agreement; no order of restitution; and a $400 special assessment. This sentence is sufficient but not greater than necessary to meet the goals set forth in 18 U.S.C. §§ 3553(a) and 3572.

Respectfully submitted,

/s/ Bryan C. Bughman
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U.S. Department of Justice
Antitrust Division

CERTIFICATION OF SERVICE

This is to certify that on December 1, 2016, a copy of the foregoing Memorandum was filed electronically and served by mail on anyone unable to accept electronic filing. Notice of this filing will be sent by e-mail to all parties by operation of the Court's electronic filing system or by mail on anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the Court's CM/ECF System.

BY: */s/ Bryan C. Bughman*
BRYAN C. BUGHMAN
Trial Attorney
U.S. Department of Justice
Antitrust Division

EXHIBIT 3

Sentencing Transcript

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA	:	No. 3:15-CR-00077(SRU)
	:	No. 3:15-CR-00078(SRU
vs.	:	No. 3:15-CR-00079(SRU)
	:	No. 3:15-CR-00080(SRU)
BARCLAYS PLC; CITICORP; JP MORGAN CHASE & CO.; THE ROYAL BANK OF SCOTLAND PLC	:	915 Lafayette Boulevard Bridgeport, Connecticut
	:	January 5, 2017

SENTENCINGS

B E F O R E:

THE HONORABLE STEFAN R. UNDERHILL, U. S. D. J.

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(10:02 A.M.)

THE COURT: Good morning. We're here in four related matters, United States vs. Barclays PLC, Citicorp, JP Morgan Chase and Royal Bank of Scotland. Could I have appearances, please.

MR. BUGHMAN: Good morning, Your Honor. Bryan Bughman and Jeff Martino on behalf of the United States.

MR. MARTINO: Good morning, Your Honor.

THE COURT: Good morning. Thank you.

MS. SEYMOUR: Good morning, Your Honor. It's Karen Seymour and Alex Willscher on behalf of Barclays PLC.

THE COURT: Thank you.

MR. FITZWATER: Matt Fitzwater from Barclays PLC.

THE COURT: Thank you.

MR. ENGLISH: Michael English for Barclays PLC.

THE COURT: Thank you.

MR. DASSIN: Lev Dassin and Jon Kolodner from Cleary, Gottlieb for Citi. We also have David Ring from Wiggin & Dana for Citi, and our corporate representative Mei Lin Kwan-Gett.

THE COURT: Very good. Thank you.

MR. NEDEAU: Good morning, Your Honor. Christopher Nedeau associated with the Alioto Law Firm on

behalf of certain victims in this case with respect to this Rule 11 hearing.

THE COURT: Very good. Thank you.

MR. ANDRES: Judge, Greg Andres and Neil Macbride from Davis Polk are here for RBS, together with Dan Wenner.

THE COURT: Very good. All right. Let me --

MR. CARROLL: I'm sorry, Your Honor. John Carroll, Warren Feldman and David Leland from Skadden for JPMC. Our corporate representatives are Stacey Friedman and Christine McDonough.

THE COURT: Very good. Thank you.

It makes a certain amount of sense to me to take these four matters up collectively. Does anybody object to that?

MR. BUGHMAN: No objection.

THE COURT: All right. To the extent that those of you in the back want to come up and maybe sit on the front or sit in the jury box, feel free to do that.

I'd like to note on the record that January Welks of the U.S. Probation Office is with us in court and is the principal author of the PSRs in these four related cases.

On May 20 of 2015 each of these four defendants appeared before me and entered into Rule 11(c)(1)(C)

guilty plea agreements with respect to count one of the respective informations that charged violations of Section 1 of the Sherman Act; and the presentence reports, although they were waived in the plea agreement, in subsequent proceedings it was determined that it made sense, frankly at my request, to have some information to be able to evaluate the 11(c)(1)(C) agreements in one form or another, and ultimately it was determined that that could be done effectively through the preparation of presentence reports.

The presentence reports were thereafter prepared for the Court in each of these cases. They are dated in mid-November, and I'm happy to go through each one in terms of the dates of the addenda if anybody thinks that's important, but the point is I've reviewed each of the presentence reports and each of the addenda to those reports, and I've consulted with Ms. Welks, who is one of the principal authors of the presentence reports.

In addition, in preparation for sentencing today, I have reviewed, of course, the plea agreements, the sentencing memoranda and motions of the government that have been filed, the victim letter that was submitted this morning. I'm not sure if counsel for the defense, defendants has seen that, but it was a brief letter that was faxed to chambers that I'm happy to share with you if

you'd like. And, in addition, I reviewed various materials publicly available, both about news reports about these cases, about certain information regarding the related civil cases, various scholarly pieces. I'm not going to try to go through everything that I looked at, but I thought I would mention that.

Let me ask counsel for each of the defendants to confirm on the record that you've had a chance to review the presentence report and addenda related to your client.

MS. SEYMOUR: On behalf of Barclays, we have, Your Honor.

THE COURT: Thank you.

MR. DASSIN: On behalf of Citi, we have, Your Honor.

THE COURT: Very good.

MR. CARROLL: On behalf of JP Morgan, we have, Your Honor.

THE COURT: Very good.

MR. ANDRES: On behalf of RBS, we have, Your Honor. Thank you.

THE COURT: Excellent. Thank you.

Did any of you have any objections to any of the factual statements that are set forth in the presentence report?

MS. SEYMOUR: No, Your Honor.

MR. DASSIN: No, Your Honor.

MR. CARROLL: No, Your Honor.

MR. ANDRES: No, Your Honor.

THE COURT: All right. I had one very small but potentially significant point to raise about the PSR, and it's a statement that is repeated in each of the PSRs. I'm looking at Barclays, and it's paragraph 35 in the Barclays PSR. It has to do with the government analysis of basically the impact, that is, the trading volume estimate; and perhaps, since this was I think prepared by the government, it's most important to hear from the government. I believe that there is a slight misstatement in that paragraph in the sentence that says: Given this, the government concluded that a price movement of approximately .03 percent of a USD cent was reasonable to use, etc. I believe the word "cent" should come out of that sentence because the percentage has the impact of making it a cent of a U.S. dollar; that is, it would correctly read 3 percent of a USD cent, but because it's .03 percent, I think we're talking about dollars and not cents.

MR. BUGHMAN: Your Honor, I believe that is accurate as you have characterized it. The shorthand often used to refer to this in the industry is 3 pips, percentage in point; but as you stated, I believe you are

correct, Your Honor, and that is -- the statement in the presentence report is not correct. It would be -- because of the .03 percent, it's already talking about cents, so in some ways it's redundant, so that is correct, Your Honor.

THE COURT: Very good. So I'm going to direct that the PSRs be corrected to take out the word "cent" in each of the respective paragraphs --

MS. SEYMOUR: Your Honor, excuse me. I'm sorry. I'm not sure. Maybe we could confer a brief moment. We thought it was .003, to the thousandth, so I think, Your Honor, perhaps we could confer with the government, but we thought the "cent" should not come out.

THE COURT: Okay. Well, it is .003 --

MS. SEYMOUR: Right.

THE COURT: -- dollars -- excuse me, .0003 dollars.

MS. SEYMOUR: Right.

THE COURT: But when you put the percentage symbol after .03, you're effectively adding two zeros.

MS. SEYMOUR: I think you're right, Your Honor. Apologies. I think you're right. So if we add the "cent," we're doubling it up.

THE COURT: Doubling it up, right.

MS. SEYMOUR: Does everybody agree? I'm the

slowest in the courtroom, so I apologize for that. There's a reason why I wasn't a math major.

THE COURT: I'm not going to disclose how long I have pondered this point. All right, but we will direct those PSRs to be corrected, thank you, and with that correction I'm going to adopt the factual statements of the presentence reports as the findings of fact of the Court in this case.

Let me next review the maximum penalties that each of the banks faces today. First, there's a maximum term of probation of five years, a fine of up to twice the gross pecuniary gain or gross pecuniary loss resulting from the offense, whichever is greater, and there is a $400 mandatory special assessment on the counts of conviction, that is, one count for each defendant. Any correction to that statement of the maximum penalties in the case?

(No response.)

THE COURT: The only minimum that applies is that the statute provides that any term of probation must be at least one year. I assume there's no objection to that statement either.

MR. BUGHMAN: Not from the government.

MS. SEYMOUR: No, Your Honor.

THE COURT: All right. Okay. I think it might

next be useful to take up the sentencing guideline calculation. The sentencing guidelines here obviously are calculated pursuant to Chapter 8. Chapter 8 directs that, in effect, we undertake various calculations. The first of those is the calculation that is described in the government's analysis in the PSR, that is, 20 percent -- 20 percent of the volume of affected commerce. That number, according to the government's calculations, which although I don't think the defendants are accepting, they're not for this purpose disputing, would be dramatically in excess of the statutory maximum here, which is two times the gross loss, and therefore there's no point in trying to calculate the upper bound of the guidelines because the upper bound of the guidelines becomes the statutory maximum when the guideline range is otherwise in excess of the statutory maximum. So the PSRs don't attempt to calculate that number, and I'm not going to attempt to calculate it either. I think it is safe to say that it is dramatically in excess of the statutory maximum.

So the statutory maximum here becomes the guideline recommended range, and what I'll do is for each of the defendants I'll set forth my understanding of what that number is, again, based upon the government's calculation of the likely pecuniary loss.

For Barclays, the gross loss calculated by the government is $593,000,000, and therefore the guideline and the statutory maximum fine is 1.186 billion dollars.

For Citicorp, the government calculates a gross pecuniary loss of $711 million, and therefore the statutory maximum and the guideline recommended sentence is $1.422 billion.

For JP Morgan Chase, the government calculates a gross pecuniary loss of $423 million with a resulting statutory maximum and guideline fine range of -- or fine amount of $846,000,000.

And for Royal Bank of Scotland, the government calculation of gross pecuniary loss is $264 million, making the statutory maximum and guideline recommended fine $528 million.

Let me hear if anyone has any objection to that statement -- calculation or statement of the guidelines.

MR. BUGHMAN: No objection from the government, Your Honor.

MS. SEYMOUR: No, Your Honor.

MR. DASSIN: No, Your Honor.

MR. CARROLL: No, Your Honor.

MR. ANDRES: No, Your Honor.

THE COURT: I should also note that the guideline recommended range for probation for each

defendant is one to five years, and there is, of course, a $400 special assessment.

All right. Let's get to the heart of the issue, which is whether to accept the binding plea agreements that have been entered into by each of the defendants. As is obvious, I think, if I accept the agreements and the sentences set forth in those agreements, I will today impose that sentence. If the plea agreements are rejected, then all bets are off, and we're back, in effect, with cases to move forward.

I think it may make sense, before I hear from the government and from each of the defendants, to hear first from the victim representative who wishes to be heard. Mr. Nedeau, do you want to -- and while he's coming forward, is there anyone else here who wishes to be heard on behalf of any victim?

(No response.)

THE COURT: Seeing none, Mr. Nedeau? Thank you.

MR. NEDEAU: Good morning, Your Honor. Thank you very much for letting me speak.

THE COURT: Good morning.

MR. NEDEAU: As I mentioned earlier, my name is Christopher Nedeau, and I'm associated with the Alioto Law Office representing plaintiffs John Nypl, N-y-p-l, et al vs. JP Morgan Chase and Company. This is a related

putative class action brought against these defendants that are here pending before Judge Schofield in the Southern District of New York. For the record, that case number is 1:15-cv-09300-LGS.

Your Honor, pursuant to Rule 32 on behalf of our clients who are victims of the price-fixing conduct at issue here, we'd like to take this opportunity to object to the negotiated plea agreements with these banks and urge you to reject them because we believe there's been no adequate consideration of restitution to the victims pursuant to an agreement between the DOJ and defendants.

In order to provide the Court some context for objection, I would like to briefly mention some facts that I've been able to -- we've been able to find from the public record. For seven years, between January 2007 to at least January 2013, all class members, that is, consumers and businesses in the United States who directly purchased supracompetitive foreign currency exchange rates have been consistently, systematically and intentionally damaged by the price-fixing conduct that defendants admit to here today.

We estimate the price-fixing activity by these banks, whose employees participated in the cartel chat to fix the exchange rate of dollars to euros resulted in $50 million of profit per day or $3.7 billion per year,

over $20 billion during the conspiracy period.

In the United States sentencing memorandum and motion for departure dated December 1, 2016, the affected volume of commerce for Chase alone is estimated 1.41 trillion dollars.

Now, Your Honor, we're not here to debate the appropriateness of departure from the guidelines or the calculation of the guidelines. Rather, on behalf of the putative class members who are victims of this conduct, we want to point out that despite the magnitude of the affected commerce and the illegal profits of $50 million a day, there seems to have been no consideration of restitution to the victims. In the 16-page sentencing memorandum there is only one paragraph devoted to restitution. There it states that due to pending civil litigation, the parties have agreed not to recommend imposition of an order of restitution.

Now, I know the Court knows that under 18 USC 3771(a)(6) all crime victims have the right to full and timely restitution. That's provided by law. Rule 32(d)(2)(D) requires information sufficient for a restitution order to be provided for probation's presentence report. It's abundantly clear that both these rules have been ignored, and the rights of the victims of price-fixing of the exchange rates were negotiated away in

these plea agreements.

In the DOJ's press release dated May 20, 2015 it was estimated that nearly $9 billion would be paid to the federal, state and international authorities by these banks that are pleading guilty to price-fixing in your court.

Of course, the Court can easily enforce payment of these fines and penalties. However, on the other hand, the victims who are members of the putative class are on their own to litigate, through discovery and trial, to prove up the damages owed to them. The defendants in this courtroom are pleading guilty to price-fixing, which admits liability in the civil cases and is admissible under the Clayton Act, Section 5. However, we know, as practical lawyers, that as soon as these plea agreements are accepted by Your Honor, these defendants most certainly will move in civil actions to dismiss the civil complaints under Rule 12, and they will challenge certification of the class. This is inconsistent with the plea agreement here and inconsistent with the spirit of the law which requires restitution to these victims.

Your Honor, on behalf of the victims we fear that defendants are talking out of both sides of their mouths, which may cause manifest injustice to the victims of their illegal conduct. So what to do? Your Honor, we

believe that there should have been an attempt, and there may have been in the presentence report given to Your Honor that we've not seen, to estimate the restitution owed to the victims. In some of the plea agreements it says this is far too difficult and would take far too much time. Your Honor, it is done all the time, and for the amount of money at issue here, it can be done. I was lead defense counsel in the TFT-LCD price-fixing case and took it to trial for four months, and we knew the potential damages to the penny.

So in order to even the scales here and allow victims a little bit of help from the government, which is reaping vast, vast sums of dollars for this illegal conduct, we suggest two points that we would ask the Court to propose to the respective Department of Justice prosecutors and defense counsel be included in the plea agreements today.

We propose that the Court order that the plea agreements be amended to include a provision that defendants are estopped from moving to dismiss plaintiffs' civil action in the Southern District of New York pursuant to Federal Rule of Civil Procedure 12(b).

Further, Your Honor, we would propose that the Court order that by virtue of these guilty pleas, these defendants pleading guilty today are estopped from

contesting class certification in the Nypl putative class action in the Southern District of New York.

Your Honor, I thank you for giving me the opportunity to be heard.

THE COURT: Okay. Let me, before you sit down, let me note that I don't have the authority to order an amendment of a binding plea agreement, so my authority extends to accepting or rejecting that agreement.

MR. NEDEAU: And I apologize for the shorthand, but you could reject the agreement until it is changed, Your Honor. That would be within your discretion, I think.

THE COURT: Well, okay, fair enough, but that would be a rejection --

MR. NEDEAU: I understand.

THE COURT: -- and the hope that there would be a subsequent agreement.

Let me inquire a little further. I think it's well established that the Court has discretion not to order restitution when in doing so would result in extensive damages, litigation in the criminal cases, and in this case where the losses and presumably the numbers of victims are so vast, why is the criminal proceeding a better place to litigate those issues than the putative class action civil case that you have pending?

MR. NEDEAU: Well, Your Honor, I'm glad you asked that question. As a former prosecutor, I think a criminal proceeding is a very good place to litigate those issues because those issues can be determined by the parties and be part of the negotiation under the leverage of the Court and the leverage of the sentencing guidelines. It can be done efficiently. It probably has been done already. So I don't think it's an insurmountable task as described in these plea agreements. I think those numbers exist today. Now, the alternative is months or years of civil litigation.

THE COURT: Well, let me just interrupt you. The total number may exist today, and in fact I've relied upon a total loss number in setting the guidelines. What I am fairly certain has not been settled and would be extremely difficult to settle is how much of that total loss number goes to which particular victim. There may be literally millions of victims here.

MR. NEDEAU: Yes, correct.

THE COURT: Right. So my assumption is no one sitting in this room knows that any particular victim either was a victim or how much they lost, and to take on in a restitution hearing what could be years worth of discovery, it seems inconsistent with the case law.

MR. NEDEAU: And, Your Honor, your comments are

certainly well taken, and I understand that difficulty, and that's why we're simply here to object on the record and to talk about the unfairness with this powerful proceeding before Your Honor to bring this illegal conduct to account and punish it where it's punished and the money goes to the state but there's nothing for the victims.

Now, as a plaintiff's antitrust lawyer now, we will undertake that task, and we will use the guilty pleas as admissions of liability in the class action, and we know how to do that. But I'm simply asking -- I'm simply proposing that the Court consider and counsel consider talking about an estoppel so that counsel do not walk out of this courtroom -- and they have a job to do, Your Honor, I did it for 30 years -- to walk out of this courtroom, walk into the Southern District of New York and file a 12(b) motion to dismiss a complaint that they've admitted is valid.

THE COURT: Well, okay; but, one, assuming that happens, which would surprise me, why is it not appropriate for Judge Schofield to take that up in the first instance? In other words, you're going to argue to her, Wait a minute, they were just up in Bridgeport and -- assuming I accept these agreements -- they've now been ajudged guilty, and here are these judgments, so how can they move to dismiss it?

MR. NEDEAU: You're correct, Your Honor. I'm also going to tell the judge that we did not waive this argument in front of you.

THE COURT: Fair enough. I get that. Okay. All right, thanks for coming.

MR. NEDEAU: Thank you, Your Honor.

THE COURT: I'm not sure what everybody is used to in other districts, but my practice is generally to hear first from the defense, then from the government, and to the extent that the defense wants to be heard again to hear from the defense. Any objection to proceeding in that manner?

MR. BUGHMAN: That's fine, Your Honor.

THE COURT: Very good. And if nobody minds, I've got it set up in alphabetical order, so that would put --

MS. SEYMOUR: Yes, Your Honor, just on behalf of Barclays, we really rest on our submission, but I would say with respect to this point on restitution we think we are well within the statute, which does allow the Court not to impose restitution here for the reasons that the Court stated, and we think that the appropriate place to litigate these issues is the court most fully familiar with the class action that can address the estoppel issues and the other issues that counsel raised.

So with that, unless there's questions about Barclays, we would rest on the papers.

THE COURT: Very good. Thank you. Citicorp?

MR. DASSIN: Yes, a few things, Your Honor, but briefly, the plea agreement does provide in paragraph 9(b) that in light of the availability of civil causes of action, which potentially provide for recovery of a multiple of actual damages, the recommended sentence does not include a restitution order for the offense charged in the information. So this was something that was contemplated.

Secondly, there was civil litigation pending, Citi and I believe some of the other banks have settled, a consolidated class action for a considerable sum of money. Preliminary approval has been given for that and final approval -- a final approval hearing in the fall. So to the extent there is additional litigation out there, the civil litigation that exists is the appropriate forum to deal with that and whether any additional compensation to those plaintiffs is appropriate or not.

THE COURT: All right. Thank you. JP Morgan Chase.

MR. CARROLL: Yes, Your Honor. JP Morgan has also settled that action, Your Honor, pending proper approval, so we believe that is the proper forum for these

issues. Other than that, we're happy to rest on our submission.

THE COURT: Very good. Thank you. And Royal Bank of Scotland.

MR. ANDRES: Thank you, Judge. RBS has also settled at least one of the civil class action cases in front of Judge Schofield, and other than that on the sentencing issues we also rest on our papers.

THE COURT: All right. And before I leave the defense side, again, it's a little bit unclear in the corporate context, but certainly the rule requires that I directly address the defendant and give the defendant an opportunity to be heard. If any of the corporate representatives would like to add anything or be heard in connection with the 11(c)(1)(C) issue or the sentencing issue, please let me know.

MR. NEDEAU: Your Honor, in response I would ask one more thing. Could the letter that we sent in be made a part of the record?

THE COURT: Any objection?

MR. BUGHMAN: None from the government, Your Honor.

MS. SEYMOUR: No, Your Honor.

MR. DASSIN: No, Your Honor.

MR. CARROLL: No, Your Honor.

MR. ANDRES: No, Your Honor.

THE COURT: Very well. That letter will be docketed.

All right. Mr. Bughman, do you have anything to say?

MR. BUGHMAN: Thank you, Your Honor. As we set forth in our submissions, the government submits that the sentences that are agreed upon in each of these matters are sufficient but not greater than necessary to comply with the purposes set forth in 18 USC 3553(a) and 3572(a). Also, for the reasons set forth in our papers, Your Honor, the government would move with respect to each defendant for a downward departure from the sentencing guidelines range pursuant to U.S. sentencing guidelines 8C4.1. We would rest on our papers unless the Court has any additional questions for the United States.

THE COURT: I do not. Thank you.

MR. BUGHMAN: Thank you, Your Honor.

THE COURT: Let me start by granting the 8C4.1 motions. It's apparent to me from review of the presentence report for each defendant that each of these defendants, notwithstanding the seriousness of the conduct, was both extremely helpful and extremely prompt in cooperating with the government's investigation, that there was a significant amount of resources that were

committed to that effort that saved the government a tremendous amount of hard work, that made these proceedings more efficient, dramatically more efficient, and it seems to me that the timely, prompt and valuable assistance provided certainly warrants granting the 8C4.1 motions.

The question of whether to accept an 11(c)(1)(C) agreement overlaps or intersects with the question about an appropriate sentence. In effect, my role is to determine what sentence is sufficient but not greater than necessary to serve the purposes of sentencing with respect to each of these defendants. It seems to me that that inquiry then -- the result of that inquiry should then be compared to the proposed sentence in the 11(c)(1)(C) agreements. So I'm going to start my consideration of the 11(c)(1)(C) agreements with, in effect, the more traditional sentencing factors that are found in 18 USC Section 3553(a).

That statute requires that I consider quite a number of factors. They're set forth in the statute. I'm not going to list them today, but I have, in fact, considered them. With a corporate defendant, the sentencing options are limited, and the principal method of punishment and of deterrence, frankly, is the imposition of a fine. The statute, 18 USC Section 3572,

sets forth various factors that the Court should consider when deciding the amount of a fine to impose. These include, in effect, the financial capability of the defendant, the amount of losses inflicted upon others, whether restitution is ordered or not, the need to deprive the defendant of illegally obtained gains from the offense, and whether the defendant can pass on to consumers or other persons the expense of the fine, as well as any measures taken by the organization to discipline any officer, director, employee or agent who is responsible.

I will note that it does not appear to me from the information I have been able to obtain, both through the presentence report and through public media reports, that any individual has been prosecuted here. That is obviously a decision for the government to make, but I do think it worth a comment that one of the most effective ways to deter an organization from wrongful conduct is for individuals responsible for that conduct to face criminal sanctions, including imprisonment.

These are obviously white collar offenses. The responses made by the various banks to these prosecutions is commendable, but the opportunity for further mischief exists, and I think that mischief will be best deterred if people responsible are not only fired but any compensation

paid to them that was dependent upon or triggered by the wrongful conduct, for example, the calculation of a bonus, those amounts I hope these banks are seeking to claw back, have the individuals disgorge; and, frankly, I would urge the government to consider prosecution of individuals. And we have any number of white collar defendants in this court for comparatively miniscule losses to the government, be it wrongful receipt of Social Security benefits, be it failure to pay taxes or whatever, and those folks frequently receive prison terms, and the deterrence of white collar crime I think depends upon individuals realizizing the personal risks to them, not simply the risk to their employers. So it is a factor I have to consider in deciding whether the fine amounts are reasonable, but I thought it also merited some comment.

The guidelines have a number of factors for considering fine amounts as well. They're set forth in 8C2.8. I'm not going to list those, but again, will just assure everyone that I've considered those factors.

These crimes are quite serious. The significance stems not only from the dollar amounts involved, which are eye-popping, frankly, but also from the impact on the faith that market participants can have in the market itself. If the market is rigged, then folks who play by the rules are suckers, and the loss of faith

in the accuracy and fairness, fundamental fairness of the market is, I think, a significant aspect that makes these crimes even more significant than the dollar amounts involved.

That said, these fines, especially when combined with other fines and sanctions that have been imposed on the banks, are also eye-popping. These are huge dollar amounts. I think they are appropriate in light of the calculated losses that the government has submitted. I understand the defendants dispute the calculation of losses and understandably so, but the amounts of these fines are quite large, and the amounts of the other sanctions that they face are quite large, and significantly they represent a small but I think material percentage of the market capitalization of the firms. And I'm just going to note -- I believe these figures are accurate -- that the fine for Barclays is 1.85 percent of its market capitalization; for Citicorp, 0.64 percent of market capitalization; JP Morgan Chase, 0.22 percent of market capitalization; and Royal Bank of Scottland, 1.58 percent of market capitalization. Those are amounts that will be felt, that will be recognized at the highest levels of the corporations, and that will result and have already resulted in some cases with significant impacts on corporate operations and personnel.

I think it's also worth saying that the fines appear to be large enough that we can all have confidence that these banks did not profit from this wrongdoing; that is, the losses appear to be greater than the profits, and because we're doing a multiple of losses there's not really much doubt that these fines are more than sufficient to cover any monies that these banks made from this wrongful conduct.

I also believe that these fines are large enough to deter, at least in the sense that the corporations, the banks themselves will have every incentive, their boards, their shareholders, their officers will be motivated by these fines to make sure that corporate culture is consistent with the laws of not just the United States but other jurisdictions, that there will be serious consequences for anyone who departs from law-abiding culture or practice, and that this kind of conduct will certainly be searched out by the banks themselves and thwarted when possible.

Significantly, the impression I have from the presentence reports and from public media reports is that the conduct at issue here was engaged in by a very small number of individuals within each firm. I think it's fair to classify this as rogue behavior on the part of a small group. That doesn't minimize the seriousness of the

behavior, but I do think it impacts the reasonableness of these fine amounts because we do not have banks who appear to have condoned conduct at any high-ranking level, which is important to me.

And, finally, I noted before the reasons for granting the 8C4.1 motions. I believe that the prompt and valuable cooperation provided by the banks is an important factor in deciding the reasonableness of the 11(c)(1)(C) agreements, and I have taken that into account as well.

I do need to comment on the question of restitution, which has been raised as an objection to acceptance. It is always best, when realistically possible, to impose restitution as part of a criminal sentencing. I do not have any confidence that this Court is better situated than the Southern District in which the civil actions are pending to undertake the extremely, almost mind-bendingly complex task of identifying victims and specific loss amounts suffered by each of those victims. This is, in my view, a very clear and obvious case in which restitution is best left to the civil process, civil litigation process, and restitution is a useful tool when it can be done promptly. I think the statute basically assumes it can be done within 90 days. It's simply impossible to comprehend that we could have anything close to an accurate restitution order in 90 days

or even three years and 90 days from today. So I really -- I acknowledge the concerns raised by the victims' representative. I think those are potentially valid concerns in a more ordinary case, but here I think the better practice by far is to not reject the plea agreements because they do not call for restitution, but rather, to leave restitution to the civil process.

In sum, I've reached the conclusion that when looking at the sentences that are sufficient but not greater than necessary to serve the purposes of sentencing for each of these defendants, that the 11(c)(1)(C) proposed sentences are consistent with the requirements of 3553(a); and, accordingly, I will accept the 11(c)(1)(C) agreements for each of these four defendants.

I think, as a practical matter, we have engaged in what I would ordinarily now do as a sentencing proceeding. I will, however, offer to anyone, any defendant or the government, who wishes to be heard, the opportunity to speak further or to have your representative speak further in connection with sentencing; but it's my intention, having accepted these agreements, to simply impose the sentences called for by those agreements.

Does anyone wish to be heard further?

MR. BUGHMAN: Nothing from the government, Your

Honor.

THE COURT: Very well.

MS. SEYMOUR: No, Your Honor.

MR. DASSIN: No, Your Honor.

THE COURT: All right, thank you.

Turning first to Barclays, I sentence Barclays to a period of three years of probation, to a fine of $650 million, plus an additional $60 million for the violation of the 2012 NPA, to a special assessment of $400, and with respect to the conditions of probation -- let me ask how counsel would like to proceed.

The plea agreements specify, in effect, the obligations of each defendant during the term of probation. I'm happy to restate those if anybody thinks it's important to do that as part of the sentencing proceeding. Otherwise, I'll simply adopt by incorporation those conditions.

MR. BUGHMAN: That's fine, Your Honor.

MS. SEYMOUR: That's fine.

MR. DASSIN: Agreed, Your Honor.

THE COURT: Very good.

MR. CARROLL: Agreed, Your Honor.

MR. ANDRES: Agreed, Your Honor.

THE COURT: All right, thank you. So those conditions as required by the written plea agreement are

adopted as conditions of probation that will be included in the judgment.

Let me hear from either the government or Barclays' counsel if there's any reason why that sentence cannot lawfully be imposed as the sentence of the Court.

MR. BUGHMAN: There's no reason, Your Honor.

MS. SEYMOUR: We agree, Your Honor.

THE COURT: Very well. That sentence is imposed as the judgment of the Court.

I'm going to advise you of the fact that there is a theoretical right to appeal; but I'll do that, frankly, for all four at the same time when we're done.

Let me turn next to Citicorp. And with respect to Citicorp, I sentence Citicorp pursuant to the 11(c)(1)(C) agreement to a fine of $925 million, to a period of three years of probation with conditions as required by the written plea agreement and incorporated into this statement of the sentence, as well as a $400 special assessment.

Is there any reason why that sentence cannot be lawfully imposed by the Court?

MR. BUGHMAN: No, Your Honor.

MR. DASSIN: No, Your Honor.

THE COURT: All right, it is so imposed.

Turning to JP Morgan Chase, I sentence JP Morgan

Chase to a fine of $550 million, to a term of three years of probation with the conditions of probation as set forth in the written plea agreement, and to a special assessment of $400.

Is there any reason why that sentence cannot lawfully be imposed as the sentence of the Court?

MR. BUGHMAN: No, Your Honor.

MR. CARROLL: We know of no reason, Your Honor.

THE COURT: Very good, thank you. That sentence is imposed as the sentence for JP Morgan Chase.

And, finally, Royal Bank of Scotland, I intend to sentence Royal Bank of Scotland to a fine of $850 million -- excuse me, wrong number. Boy, you were surprised, weren't you? Weren't you surprised? Let's make that $395 million -- sorry about that -- to a period of three years of probation with the conditions as required in the written 11(c)(1)(C) agreement, and a $400 special assessment.

Is there any reason why that sentence cannot lawfully be imposed as the --

MR. BUGHMAN: No, there's not, Your Honor.

MR. ANDRES: We agree, Your Honor.

THE COURT: Very good. That sentence is imposed.

Let me advise each of the four defendants that

you have a statutory right to appeal your sentences by filing a notice of appeal with this court within 14 days of the entry of judgment. I will remind each of you that your plea agreements waive that right, except in certain extraordinary circumstances, but if you could please confirm you understand that you have the right to appeal.

MS. SEYMOUR: We understand, Your Honor.

MR. DASSIN: Yes, we understand, Your Honor.

MR. CARROLL: That's our understanding, Your Honor.

MR. ANDRES: We understand.

THE COURT: Very good. The time limit for that appeal, obviously, is triggered by the entry of judgments. We will try to enter those judgments promptly.

Is there anything else we can or need to take up?

MR. BUGHMAN: Nothing from the government, Your Honor.

MS. SEYMOUR: No, Your Honor.

MR. DASSIN: No, Your Honor.

MR. CARROLL: Nothing here.

MR. ANDRES: No, Your Honor.

THE COURT: Very good. Let me thank you all, and we will -- oh, let me just confirm one thing. There is a question of supervision of probation. Obviously, the

supervision will be extremely minimal. It's my intention to maintain supervision in this district unless there's a strong objection to that. I think all it requires, basically, is the filing of electronic submissions. Does anybody object to probation in the District of Connecticut, being supervised here?

MR. BUGHMAN: No objection from the government.

MS. SEYMOUR: No, Your Honor.

MR. DASSIN: No objection, Your Honor.

MR. CARROLL: No objection, Your Honor.

MR. ANDRES: No objection.

THE COURT: Very good. Thank you all very much. We'll stand in recess.

MR. CARROLL: Thank you very much, Your Honor.

(10:56 A.M.)

C E R T I F I C A T E

I, Sharon L. Masse, RMR, CRR, Official Court Reporter for the United States District Court for the District of Connecticut, do hereby certify that the foregoing pages are a true and accurate transcription of my shorthand notes taken in the aforementioned matter to the best of my skill and ability.

January 10, 2017

/S/ Sharon L. Masse
Sharon L. Masse, RMR, CRR
Official Court Reporter
915 Lafayette Boulevard
Bridgeport, Connecticut 06604
Tel: (860)937-4177

DECLARATION

I, Cyrus Amir-Mokri, a Managing Director of JPMorgan Chase & Co. ("**JPMC**" or the "**Firm**"), hereby declare, under penalty of perjury under the laws of the United States of America, that, (i) to the best of my knowledge and belief and (ii) based on my review of the Plea Agreement, the Sentencing Memorandum, the Sentencing Transcript, the Annual Report and other relevant JPMC business records as I deemed appropriate, in each case, as is applicable (as each capitalized term is defined below), the following is true and correct:

1. In addition to being a Managing Director of JPMC, I am the General Counsel of the Firm's Corporate & Investment Bank ("CIB"). In this capacity, I oversee and have responsibility for legal matters which relate to and arise within the various lines of business comprising the CIB, including those businesses described in this declaration.

2. Attached to the letter requesting that the Federal Communications Commission ("FCC" or "Commission") find that the Firm has the requisite character to hold interests in FCC licensed entities (the "Filing") are true and correct copies of (i) the Plea Agreement, (ii) the Sentencing Memorandum, and (iii) the Sentencing Transcript (each, as defined in the Filing).

3. Based on my review of the foregoing documents, the Filing accurately describes the contents of the Plea Agreement.

4. Based on my review of the most recently filed Form 10-K filed on behalf of JPMC (the "**Annual Report**"), JPMC, a widely traded, publicly held company, is a leading global financial services firm and is one of the largest banking institutions in the United States, with operations worldwide. JPMC is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, and asset management. JPMC, which has more than 250,000 employees globally, serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands.

5. Based on my review of JPMC books and records, in January 2011, JPMC subsidiary SIG Holdings, Inc. ("SIG"), acquired shares of LightSquared Inc.'s Convertible Series B Preferred Stock. JPMC, through certain of its affiliates was a lender in LightSquared's pre-petition bank debt. Since Ligado's emergence from bankruptcy in December 2015, JPMC's equity interest in Ligado has been held by RL2 Investors Holdings, LLC, a Delaware limited liability company ("RL2 Holdings") and an indirect, wholly owned subsidiary of JPMC. At the time of emergence, RL2 Holdings was owned by RL2 Inc., a Delaware corporation, which, in turn, was owned by SIG. Subsequent to Ligado's emergence from bankruptcy, as part of an internal reorganization of certain legal entities, SIG merged downstream with RL2 Inc., and RL2 Inc. merged with and into JPMorgan Broker-Dealer Holdings, Inc., a Delaware corporation ("JPMBDH"). JPMC transferred all of its interest in JPMBDH to JPMorgan Chase Holdings LLC, a Delaware limited liability company ("JPMCH LLC") and a wholly owned subsidiary of JPMC, such that JPMCH LLC sits in the chain of ownership between JPMC and JPMBDH.

6. Based on my review of JPMC books and records, the employee involved in the antitrust conspiracy described in the Plea Agreement worked for JPMC as a EUR/USD trader in the FX Spot Market business and was based in London. Specifically, the trader was employed by two UK subsidiaries of JPMC between July 2010 and October 2013—J.P. Morgan Europe Ltd. ("JPMEL") from July 2010 to May 25, 2011 and J.P. Morgan Limited ("JPML") from May 25, 2011 to October 1, 2013. The trader was also seconded to the London Branch of JPMorgan Chase Bank, N.A. during a portion of that period and employed by the London Branch for approximately two weeks before he was placed on leave. The individual was placed on leave and removed from the desk in October 2013. He was formally suspended on January 15, 2014 and terminated effective October 6, 2014. The trader's responsibilities were unrelated to JPMC's interests in Ligado or other FCC regulated businesses.

7. Both the individuals responsible for the interests in Ligado, and the individual who supervises such individuals, have resided in JPMC's offices in the United States and were not part of the FX Spot Market business or involved in the EUR/USD conspiracy described in the Plea Agreement.

8. Since first discovering the trader's misconduct, JPMC has undertaken extensive remedial and compliance efforts. Under the terms of the Plea Agreement, JPMC is required, among other things to (i) implement and continue to implement a compliance program designed to prevent and detect the types of conduct as set forth in the Plea Agreement, and (ii) further strengthen its compliance and internal controls as required by the U.S. Commodity Futures Trading Commission, the United Kingdom Financial Conduct Authority, and any other regulatory or enforcement agencies that have addressed the conduct set forth in the Plea Agreement. JPMC has implemented, and is continuing to implement, such remedial measures, and is committed to ensuring that it is in compliance with the obligations set forth in the Plea Agreement.

9. In furtherance of its obligations under the Plea Agreement and sentencing, JPMC has made substantial improvements to its compliance program, undertaking broad efforts to enhance business practices and reduce potential conduct issues, including a "Culture and Conduct" initiative and the development of enhanced sales and trading guidelines. The Firm also has implemented new controls designed to prevent recurrence of the offense, including new limitations on and increased surveillance of employees.

10. Based on my review of the Annual Compliance Program Progress Report submitted to the Department of Justice on January 10, 2018 pursuant to Paragraph 9(c)(iii) of the Plea Agreement, JPMC's remediation efforts are executed over the Firm's wholesale principal trading businesses, focusing on senior management oversight, the internal controls and compliance program (which is subject to periodic testing through the annual controls review as well as other assessments), the compliance risk management program, and internal audit. The remediation action plan that JPMC has designed and implemented includes:
    a. improvements to senior management oversight, incorporating periodic reassessment of risks, enhancements to the supervision and governance structure, and monitoring of compliance with the remedial efforts,
    b. internal controls and compliance program measures that include enhancements to policies and procedures and preventive and detective controls (including monitoring and surveillance), further defining management responsibilities, and promoting a compliance testing program to test internal controls,
    c. a variety of risk assessments, including those done annually as well as prior to commencing new business initiatives, in each case designed to enhance the Firm's compliance risk management program,
    d. annual control reviews of relevant policies, procedures, and other key controls, with subsequent action items to address any identified gaps implemented by the Firm, and
    e. an internal audit plan that includes enhanced escalation procedures, as well as periodic internal audits of business line controls and compliance detection and monitoring processes.

11. Based on a review of FCC databases undertaken by JPMC's outside counsel, Wiley Rein, LLP, Appendix A sets forth a discussion of JPMC's history of compliance.

12. Based on a review of FCC databases undertaken by Wiley Rein LLP, JPMC has not had any FCC station authorization or license revoked or had any application for an initial, modification or renewal of FCC station authorization, license, or construction permit denied by the Commission.[1]

[1] I have been advised by Wiley Rein LLP that (i) in addition to performing database searches related to JPMC itself, the searches also included the entities that are or were within the ownership chain of JPMC's interest in Ligado, as

13. Based on my review of JPMC books and records and the most recently filed Form 10-K filed on behalf of JPMC (the "**Annual Report**"), with the exception of the antitrust violation discussed in the Filing, JPMC has not been convicted of a felony by any state or federal court.

14. Based on my review of JPMC books and records and the Annual Report, JPMC has not been finally adjudged guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement or any other means or unfair methods of competition by any court.

By: _____
Name: Cyrus Amir-Mokri
Title: Signing on behalf of JPMorgan Chase & Co. as a Managing Director
Position: General Counsel for J.P. Morgan's Corporate & Investment Bank

Executed on October 30, 2018.

set forth in footnote 29 of the Filing and accompanying text, (ii) with respect to RL2 Inc. and RL2 Investors Holdings LLC, the research was limited to the time period after December 7, 2015, which is the date on which JPMC acquired an indirect ownership interest in these two entities as a result of Ligado's emergence from bankruptcy, and (iii) the research was limited to FCC records that are, according to the FCC's Commission Registration System ("CORES") database, associated with the FCC Registration Numbers that are linked to the federal Employer Identification Numbers for those JPMC entities.