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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Applications of LightSquared Subsidiary LLC, Debtor-In-Possession, and LightSquared Subsidiary LLC, for FCC Consent to Assign Licenses and Other Authorizations and Request for Declaratory Ruling on Foreign Ownership, IB Docket No. 15-126

Dear Ms. Dortch:

JPMorgan Chase & Co. ("JPMC&Co."), by counsel, files this letter to update the Federal Communications Commission ("Commission" or "FCC") regarding the responses to FCC Form 312, Questions 37 through 39, FCC Forms 603 Questions 101 and 102, and FCC Form 608 Questions 158 and 159. As explained in the attached press release, JPMC&Co. recently announced settlements with the U.S. Department of Justice and the Federal Reserve relating to JPMC&Co.'s foreign exchange trading business in which it pled guilty to a single antitrust violation and agreed to pay a fine of $550 million. Although this antitrust violation does not relate to monopolizing or attempting to monopolize radio communication, it is classified as a felony.[1]

Although a felony conviction is among the issues considered by the Commission in its analysis of a party's character qualifications, JPMC&Co. respectfully submits that, for the reasons set forth below, it should be found qualified to hold a minority investment interest in an FCC licensee.[2] First, the antitrust violation relates to non-FCC conduct. The Commission has concluded that, with respect to antitrust

[1] As noted in the press release, JPMC&Co. entered into the plea on May 20, 2015. JPMC&Co regrets the delay in submitting this update, which was due, in part, to a misunderstanding by counsel regarding the underlying classification of the offense.

[2] *See, e.g., dPi Teleconnect, LLC and Amvensys Capital Group*, Public Notice, 28 FCC Rcd. 940 (2013) (approving a transfer of control despite the transferee's felony conviction based on the amount of time that had lapsed since the felony and the circumstances surrounding the felony)*; In the Matter of the Application of TRW Inc. and Northrop Grumman Corp.*, Order and Authorization, 17 FCC Rcd. 24625 (2002) (approving a transfer application despite the transferee having pled guilty to 34 federal felonies) (*TRW Inc. Order); In re Applications of General Electric Co.*, Memorandum Opinion and Order, 45 F.C.C. 1592 (1964) (renewing licenses despite the licensee's criminal convictions for antitrust misconduct).

violations, it is concerned with those matters that involve broadcast[3] and other communications-related misconduct[4] and that "other government agencies—most notably the Department of Justice and the Federal Trade Commission—have been given primary responsibility in policing antitrust and anti-competitive activity." Accordingly, the agency found that "even adjudicated cases of anticompetitive activity, antitrust violations, or other types of non[communications] business misconduct would not necessarily be relevant to [the Commission's] specific concerns for truthfulness and reliability in the operation of a[n FCC regulatee]."[5] Here, the antitrust violation involved JPMC&Co.'s foreign exchange trading business and focused principally on the conduct of a single trader, which is not related to its investment in LightSquared or the business of LightSquared, a company that will be managed on a day to day basis by current management and use its FCC licenses to increase competition in the wireless market. The violation is also unrelated to other areas in which the Commission has expressed concern under its character qualification policies. The DOJ has exercised its authority in relation to the isolated antitrust violation.

Second, the FCC also considers a number of potentially mitigating factors when assessing an applicant's character qualifications, including (1) the frequency of the misconduct; (2) the nature of the participation, if any, of the managers and owners; (3) any remedial action taken to curb the conduct and/or dismiss the perpetrator; and (4) the applicant's past record of compliance with FCC rules and policies.[6] JPMC&Co. submits that these factors all favor the FCC allowing JPMC&Co. to hold a minority investment in an FCC licensee.

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[3] *Policy Regarding Character Qualifications In Broadcast Licensing Amendment of Rules of Broadcast Practice and Procedure Relating to Written Responses to Commission Inquiries and the Making of Misrepresentations to the Commission by Permittees and Licensees,* Memorandum Opinion & Order, 1 FCC Rcd. 421 ¶ 11 (1986).

[4] *See, e.g., Western Tele-Communications, Inc.,* 3 FCC Rcd 6405 (1988).

[5] *Policy Regarding Character Qualifications In Broadcast Licensing Amendment of Rules of Broadcast Practice and Procedure Relating to Written Responses to Commission Inquiries and the Making of Misrepresentations to the Commission by Permittees and Licensees,* Report, Order and Policy Statement, 102 FCC 2d 1179 ¶¶ 42-44 (1986) ("*Character Qualifications Policy Statement*).

[6] *See Contemporary Media Inc.,* Order to Show Cause and Notice of Apparent Liability, 10 FCC Rcd. 13685, n.10 (1995) (listing the mitigating factors the FCC considers).

The conduct underlying JPMC&Co.'s single antitrust violation was principally attributable to the actions of a single trader who was subsequently dismissed from JPMC&Co. Since discovery of the misconduct, JPMC&Co. has put in place heightened controls to protect against any such actions in the future. JPMC&Co. has a long history of compliance with the FCC, and this event should not tarnish that. JPMC&Co. submits that its cooperation with the DOJ, along with its quick and overarching reaction to prevent future misconduct, shows that JPMC&Co. is willing and able to deal truthfully with government agencies and comply with myriad rules and policies.[7] JPMC& Co. has in place controls designed to prevent future misconduct and to ensure cooperation with all government regulators, including the FCC. JPMC&Co.'s compliance teams work closely with senior management to provide independent review and oversight of the lines of business operations, with a focus on compliance with applicable global, regional and local laws and regulations. JPMC&Co. has in place a Code of Conduct (the "Code"), and each employee is given annual training in respect of the Code and is required annually to affirm his or her compliance with the Code. The Code sets forth JPMC&Co.'s core principles and fundamental values, including that no employee should ever sacrifice integrity - or give the impression that he or she has - even if one thinks it would help JPMC&Co.'s business. The Code requires prompt reporting of any known or suspected violation of the Code, any internal JPMC&Co. policy, or any law or regulation applicable to JPMC&Co.'s business.

If you have any questions on this issue, please do not hesitate to contact the undersigned.

Respectfully Submitted,

/s/ Wayne D. Johnson

Wayne D. Johnsen
Counsel to JPMorgan Chase & Co.

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[7] *See TRW Inc. Order* ¶ 10 ("The central focus of our review of an applicant's character qualifications is 'misconduct which demonstrates the proclivity of an applicant or licensee to deal truthfully with the Commission and to comply with our rules and policies.'").

JPMorgan Chase & Co.

May 20, 2015

JPMorgan Chase Announces Settlements with the U.S. Department of Justice and the Federal Reserve Related to Foreign Exchange Activities

New York, May 20, 2015 - JPMorgan Chase & Co. (NYSE: JPM) today announced settlements with the U.S. Department of Justice (DOJ) and the Federal Reserve (Fed) relating to the Firm's foreign exchange (FX) trading business. Under the DOJ resolution, JPMorgan Chase & Co. will plead guilty to a single antitrust violation and pay a fine of $550 million. Under the resolution with the Fed, the Firm will pay a fine of $342 million and has agreed to the entry of a Consent Order. The Firm has previously reserved for these settlements.

These settlements are in addition to agreements announced in November 2014 with the U.K. Financial Conduct Authority, the U.S. Commodity Futures Trading Commission and the U.S. Office of the Comptroller of the Currency relating to the FX trading business. Today's resolutions, along with similar government settlements with other major banks announced today, call for certain remedial actions that are consistent with those required under the Firm's prior settlements relating to FX. The Firm has already commenced significant efforts in this regard to help ensure it is operating according to the high standards that the company and its regulators demand. With today's agreements and the remediation and other efforts it is making, the company is able to continue to serve its clients and does not anticipate future material constraints on its business activities. The DOJ agreement will be submitted to the court for its consideration. The Fed Agreement is effective immediately.

The conduct underlying the antitrust charge is principally attributable to a single trader (who has since been dismissed) and his coordination with traders at other firms. Jamie Dimon, Chairman and CEO of JPMorgan Chase, said: "The conduct described in the government's pleadings is a great disappointment to us. We demand and expect better of our people. The lesson here is that the conduct of a small group of employees, or of even a single employee, can reflect badly on all of us, and have significant ramifications for the entire firm. That's why we've redoubled our efforts to fortify our controls and enhance our historically strong culture."

The complete DOJ agreement, including the firm's obligations thereunder, can be accessed at www.justice.gov. The Fed Agreement is available at www.federalreserve.gov.

The Firm continues to cooperate with still-pending investigations being conducted by other regulators relating to the Firm's FX trading business.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $2.6 trillion and operations worldwide. The Firm is a leader in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing, and asset management. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers 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. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.

FREQUENTLY ASKED QUESTIONS (FAQs)

1. **What issues were resolved with today's foreign exchange (FX) settlements?**
   - JPMorgan Chase & Co., along with other major banks, reached settlements with the U.S. Department of Justice ("DOJ") and the Federal Reserve ("Fed") relating to wholesale foreign exchange activities.
   - Under the DOJ settlement, the firm agreed to plead guilty to a single violation of federal antitrust law and pay a fine of $550 million.
   - Under the Fed settlement, the firm agreed to the entry of a Consent Order and will pay a fine of $342 million.

2. **What conduct was cited in today's settlements?**
   - The antitrust violation referenced in the plea agreement arises principally from the conduct of one trader between July 2010 and January 2013. As set forth in the plea agreement, that trader, who has been dismissed from the firm, improperly communicated with traders from other institutions in an attempt to improperly influence prices in the U.S. Dollar/Euro spot market pairing. The DOJ has alleged that the JPMorgan trader was already a part of the conspiracy when he joined the firm in 2010.

3. **Why was JPMorgan Chase criminally charged?**
   - JPMorgan Chase is being held responsible for the conduct of its employee, as are the other financial institutions settling with DOJ today.

- This is consistent with the approach frequently taken by the DOJ's Antitrust Division, which often resolves criminal matters through a guilty plea lodged at the parent/holding company level.
- Senior management was not involved.

4. **Didn't JPMorgan Chase already announce FX settlements?**
   - Today's settlements are in addition to agreements announced in November 2014 related to this matter. Those were with the U.K. Financial Conduct Authority, the U.S. Commodity Futures Trading Commission and the U.S. Office of the Comptroller of the Currency.

5. **Has JPMorgan Chase set aside money for today's settlements?**
   - Yes. The firm has previously reserved for today's settlements.

6. **Is the trader cited in the charges still at the firm?**
   - No. He was dismissed.

7. **Are there other FX related regulatory actions or litigation outstanding?**
   - Today's agreements wrap up some of the most significant FX inquiries, though as set forth in our most recent 10-Q, certain investigations remain ongoing.

8. **How will this guilty plea impact JPMorgan Chase businesses and the way we serve clients?**
   - The firm is able to continue serving its clients, and does not anticipate future material constraints on its business activities.
   - We have been working with regulators to help ensure we have all necessary waivers and authorizations in place.

9. **How has JPMorgan Chase improved controls to ensure a similar issue could not happen again?**
   - The firm has strengthened our controls over the past several years, including improving monitoring and surveillance; increasing training; adding staff; and limiting electronic chatroom participation.

10. **With this settlement, are JPMorgan Chase's major legal issues largely behind it?**
    - We have made significant progress resolving issues and improving controls. While we still face some significant litigation matters, which are detailed in our public filings, we expect litigation costs to normalize, or diminish, over time.

11. **Is JPMorgan Chase still committed to the foreign exchange (FX) business?**
    - Yes. Foreign exchange is a core product for our global clients, and we remain firmly committed to it.

12. **Did the trader's activity in the U.S. Dollar/Euro spot market pairing affect customers' foreign exchange rates in that pairing?**
    - The plea agreement does not allege a specific impact on rates.

13. **Will any of the settlement money go to customers?**
    - This is a settlement between government agencies and JPMorgan Chase.

14. **The agreement describes other relevant conduct; what does that include?**
    - The agreement contains a section called "Other Relevant Conduct" that describes certain other sales practices.
    - This conduct is not the basis for any criminal charge.
    - As part of the resolution with DOJ, and to ensure there are no ambiguities or misunderstandings with respect to our practices when acting as a dealer, on a principal basis, in the wholesale spot FX markets, we have agreed to provide a disclosure detailing those practices to spot FX customers and counterparties.

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