

Attachment to Affidavit

DOJ Agreement

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT

----- X
UNITED STATES OF AMERICA : Criminal No.
v. : Filed:
JPMORGAN CHASE & CO., : Violation: 15 U.S.C. § 1
Defendant. :
----- X

PLEA AGREEMENT

The United States of America and JPMorgan Chase & Co. (“defendant”), a financial services holding company organized and existing under the laws of Delaware, hereby enter into the following Plea Agreement pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure (“Fed. R. Crim. P.”):

RIGHTS OF DEFENDANT

1. The defendant understands its rights:
 - (a) to be represented by an attorney;
 - (b) to be charged by Indictment;
 - (c) as a corporation organized and existing under the laws of Delaware, to decline to accept service of the Summons in this case, and to contest the jurisdiction of the United States to prosecute this case against it in the United States District Court for the District of Connecticut, and to contest venue in that District;
 - (d) to plead not guilty to any criminal charge brought against it;

(e) to have a trial by jury, at which it would be presumed not guilty of the charge and the United States would have to prove every essential element of the charged offense beyond a reasonable doubt for it to be found guilty;

(f) to confront and cross-examine witnesses against it and to subpoena witnesses in its defense at trial;

(g) to appeal its conviction if it is found guilty; and

(h) to appeal the imposition of sentence against it.

**AGREEMENT TO PLEAD GUILTY
AND WAIVE CERTAIN RIGHTS**

2. The defendant knowingly and voluntarily waives the rights set out in Paragraph 1(b)-(g) above. The defendant also knowingly and voluntarily waives the right to file any appeal, any collateral attack, or any other writ or motion, including but not limited to an appeal under 18 U.S.C. § 3742, that challenges the sentence imposed by the Court if that sentence is consistent with or below the Recommended Sentence in Paragraph 9 of this Plea Agreement, regardless of how the sentence is determined by the Court. This agreement does not affect the rights or obligations of the United States as set forth in 18 U.S.C. § 3742(b)-(c). Nothing in this paragraph, however, will act as a bar to the defendant perfecting any legal remedies it may otherwise have on appeal or collateral attack respecting claims of ineffective assistance of counsel or prosecutorial misconduct. The defendant agrees that there is currently no known evidence of ineffective assistance of counsel or prosecutorial misconduct. Pursuant to Fed. R. Crim. P. 7(b), the defendant will waive indictment and plead guilty to a one-count Information to be filed in the United States District Court for the District of Connecticut. The Information will charge that the defendant and its co-conspirators entered into and engaged in a combination and

conspiracy to fix, stabilize, maintain, increase or decrease the price of, and rig bids and offers for, the euro/U.S. dollar ("EUR/USD") currency pair exchanged in the foreign currency exchange spot market ("FX Spot Market"), which began at least as early as December 2007 and continued until at least January 2013, by agreeing to eliminate competition in the purchase and sale of the EUR/USD currency pair in the United States and elsewhere, in violation of the Sherman Antitrust Act, 15 U.S.C. § 1. The Information will further charge that the defendant knowingly joined and participated in the conspiracy from at least as early as July 2010 until at least January 2013.

3. The defendant will plead guilty to the criminal charge described in Paragraph 2 above pursuant to the terms of this Plea Agreement and will make a factual admission of guilt to the Court in accordance with Fed. R. Crim. P. 11, as set forth in Paragraph 4 below.

FACTUAL BASIS FOR OFFENSE CHARGED

4. Had this case gone to trial, the United States would have presented evidence sufficient to prove the following facts:

(a) For purposes of this Plea Agreement, the "Relevant Period" is that period from at least as early as December 2007 and continuing until at least January 2013.

(b) The FX Spot Market is a global market in which participants buy and sell currencies. In the FX Spot Market, currencies are traded against one another in pairs. The EUR/USD currency pair is the most traded currency pair by volume, with a worldwide trading volume that can exceed \$500 billion per day, in a market involving the exchange of currencies valued at approximately \$2 trillion a day during the Relevant Period.

(c) The FX Spot Market is an over-the-counter market and, as such, is decentralized and requires financial institutions to act as dealers willing to buy or sell a currency. Dealers, also known throughout the FX Spot Market as market makers, therefore play a critical role in ensuring the continued functioning of the market.

(d) During the Relevant Period, the defendant and certain of its Related Entities, as defined in Paragraph 14 of this Plea Agreement, employing approximately 250,000 individuals worldwide, acted as a dealer, in the United States and elsewhere, for currency traded in the FX Spot Market.

(e) A dealer in the FX Spot Market quotes prices at which the dealer stands ready to buy or sell the currency. These price quotes are expressed as units of a given currency, known as the “counter” currency, which would be required to purchase one unit of a “base” currency, which is often the U.S. dollar and so reflects an “exchange rate” between the currencies. Dealers generally provide price quotes to four decimal points, with the final digit known as a “percentage in point” or “pip.” A dealer may provide price quotes to potential customers in the form of a “bid/ask spread,” which represents the difference between the price at which the dealer is willing to buy the currency from the customer (the “bid”) and the price at which the dealer is willing to sell the currency to the customer (the “ask”). A dealer may quote a spread, or may provide just the bid to a potential customer inquiring about selling currency or just the ask to a potential customer inquiring about buying currency.

(f) A customer wishing to trade currency may transact with a dealer by placing an order through the dealer’s internal, proprietary electronic trading platform or

by contacting the dealer's salesperson to obtain a quote. When a customer accepts a dealer's quote, that dealer now bears the risk for any change in the currency's price that may occur before the dealer is able to trade with other dealers in the "interdealer market" to fill the order by buying the currency the dealer has agreed to sell to the customer, or by selling the currency the dealer has agreed to buy from the customer. A dealer may also take and execute orders from customers such as "fix orders," which are orders to trade at a subsequently determined "fix rate." When a dealer accepts a fix order from a customer, the dealer agrees to fill the order at a rate to be determined at a subsequent fix time based on trading in the interdealer market. Two such "fixes" used to determine a fix rate are the European Central Bank fix, which occurs each trading day at 2:15 PM (CET) and the World Markets/Reuters fix, which occurs each trading day at 4:00 PM (GMT).

(g) During the Relevant Period, the defendant and its corporate co-conspirators, which were also financial services firms acting as dealers in the FX Spot Market, entered into and engaged in a conspiracy to fix, stabilize, maintain, increase or decrease the price of, and rig bids and offers for, the EUR/USD currency pair exchanged in the FX Spot Market by agreeing to eliminate competition in the purchase and sale of the EUR/USD currency pair in the United States and elsewhere. The defendant, through one of its EUR/USD traders, participated in the conspiracy from at least as early as July 2010 and continuing until at least January 2013.

(h) In furtherance of the conspiracy, the defendant and its co-conspirators engaged in communications, including near daily conversations, some of which were in code, in an exclusive electronic chat room which chat room participants, as well as others

in the FX Spot Market, referred to as “The Cartel” or “The Mafia.” Participation in this electronic chat room was limited to specific EUR/USD traders, each of whom was employed, at certain times, by a co-conspirator dealer in the FX Spot Market. The defendant participated in this electronic chat room through one of its EUR/USD traders from July 2010 until January 2013.

(i) The defendant and its co-conspirators carried out the conspiracy to eliminate competition in the purchase and sale of the EUR/USD currency pair by various means and methods including, in certain instances, by: (i) coordinating the trading of the EUR/USD currency pair in connection with European Central Bank and World Markets/Reuters benchmark currency “fixes” which occurred at 2:15 PM (CET) and 4:00 PM (GMT) each trading day; and (ii) refraining from certain trading behavior, by withholding bids and offers, when one conspirator held an open risk position, so that the price of the currency traded would not move in a direction adverse to the conspirator with an open risk position.

(j) During the Relevant Period, the defendant and its co-conspirators purchased and sold substantial quantities of the EUR/USD currency pair in a continuous and uninterrupted flow of interstate and U.S. import trade and commerce to customers and counterparties located in U.S. states other than the U.S. states or foreign countries in which the defendant agreed to purchase or sell these currencies. The business activities of the defendant and its co-conspirators in connection with the purchase and sale of the EUR/USD currency pair, were the subject of this conspiracy and were within the flow of, and substantially affected, interstate and U.S. import trade and commerce. The

conspiracy had a direct effect on trade and commerce within the United States, as well as on U.S. import trade and commerce, and was carried out, in part, within the United States.

(k) Acts in furtherance of the charged offense were carried out within the District of Connecticut and elsewhere.

ELEMENTS OF THE OFFENSE

5. The elements of the charged offense are that:

- (a) the conspiracy described in the Information existed at or about the time alleged;
- (b) the defendant knowingly became a member of the conspiracy; and
- (c) the conspiracy described in the Information either substantially affected interstate and U.S. import commerce in goods or services or occurred within the flow of interstate and U.S. import commerce in goods and services.

POSSIBLE MAXIMUM SENTENCE

6. The defendant understands that the statutory maximum penalty which may be imposed against it upon conviction for a violation of Section One of the Sherman Antitrust Act is a fine in an amount equal to the greatest of:

- (a) \$100 million (15 U.S.C. § 1);
- (b) twice the gross pecuniary gain the conspirators derived from the crime (18 U.S.C. § 3571(c) and (d)); or
- (c) twice the gross pecuniary loss caused to the victims of the crime by the conspirators (18 U.S.C. § 3571(c) and (d)).

7. In addition, the defendant understands that:

(a) 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;

(b) pursuant to § 8B1.1 of the United States Sentencing Guidelines (“U.S.S.G.,” “Sentencing Guidelines,” or “Guidelines”) or 18 U.S.C. § 3563(b)(2) or 3663(a)(3), the Court may order it to pay restitution to the victims of the offense charged; and

(c) pursuant to 18 U.S.C. § 3013(a)(2)(B), the Court is required to order the defendant to pay a \$400 special assessment upon conviction for the charged crime.

SENTENCING GUIDELINES

8. The defendant understands that the Sentencing Guidelines are advisory, not mandatory, but that the Court must consider, in determining and imposing sentence, the Guidelines Manual in effect on the date of sentencing unless that Manual provides for greater punishment than the Manual in effect on the last date that the offense of conviction was committed, in which case the Court must consider the Guidelines Manual in effect on the last date that the offense of conviction was committed. The parties agree there is no *ex post facto* issue under the November 1, 2014 Guidelines Manual. The Court must also consider the other factors set forth in 18 U.S.C. §§ 3553(a), 3572(a), in determining and imposing sentence. The defendant understands that the Guidelines determinations will be made by the Court by a preponderance of the evidence standard. The defendant understands that although the Court is not ultimately bound to impose a sentence within the applicable Guidelines range, its sentence

must be reasonable based upon consideration of all relevant sentencing factors set forth in 18 U.S.C. §§ 3553(a), 3572(a).

SENTENCING AGREEMENT

9. Pursuant to Fed. R. Crim. P. 11(c)(1)(C) and subject to the full, truthful, and continuing cooperation of the defendant and its Related Entities, as defined in Paragraphs 14 and 15 of this Plea Agreement, the United States and the defendant agree that the appropriate disposition of this case is, and agree to recommend jointly that the Court impose, a sentence requiring the defendant to pay to the United States a criminal fine of \$550 million, pursuant to 18 U.S.C. § 3571(d), payable in full before the fifteenth (15th) day after the date of judgment, no order of restitution, and a term of probation of 3 years (the “Recommended Sentence”). The parties agree not to seek at the sentencing hearing any sentence outside of the Guidelines range nor any Guidelines adjustment for any reason that is not set forth in this Plea Agreement. The parties further agree that the Recommended Sentence set forth in this Plea Agreement is reasonable.

(a) The defendant understands that the Court will order it to pay a \$400 special assessment, pursuant to 18 U.S.C. § 3013(a)(2)(B), in addition to any fine imposed.

(b) In light of the availability of civil causes of action, which potentially provide for a recovery of a multiple of actual damages, the Recommended Sentence does not include a restitution order for the offense charged in the Information.

(c) The United States and the defendant agree that the Court shall order a term of probation, which should include at least the following conditions, the violation of which is subject to 18 U.S.C. § 3565:

(i) The defendant shall not commit another crime in violation of the federal laws of the United States or engage in the conduct set forth in Paragraph 4(g)-(i) above during the term of probation. On a date not later than that on which the defendant pleads guilty (currently scheduled for Wednesday, May 20, 2015), the defendant shall prominently post on its website a retrospective disclosure (“Disclosure Notice”) of its conduct set forth in Paragraph 13 in the form agreed to by the Department (a copy of the Disclosure Notice is attached as Attachment B hereto), and shall maintain the Disclosure Notice on its website during the term of probation. The defendant shall make best efforts to send the Disclosure Notice not later than thirty (30) days after the defendant pleads guilty to its spot FX customers and counterparties, other than customers and counterparties who the defendant can establish solely engaged in buying or selling foreign currency through the defendant’s consumer bank units and not the defendant’s spot FX sales or trading staff.

(ii) The defendant shall notify the probation officer upon learning of the commencement of any federal criminal investigation in which the defendant is a target, or federal criminal prosecution against it.

(iii) The defendant shall implement and shall continue to implement a compliance program designed to prevent and detect the conduct set forth in Paragraph 4 (g)-(i) above and, absent appropriate disclosure, the conduct in Paragraph 13 below

throughout its operations including those of its affiliates and subsidiaries and provide an annual report to the probation officer and the United States on its progress in implementing the program, commencing on a schedule agreed to by the parties.

(iv) The defendant shall 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 Paragraph 4 (g)-(i) above and Paragraph 13 below, and report to the probation officer and the United States, upon request, regarding its remediation and implementation of any compliance program and internal controls, policies, and procedures that relate to the conduct described in Paragraph 4 (g)-(i) above and Paragraph 13 below. Moreover, the defendant agrees that it has no objection to any regulatory agencies providing to the United States any information or reports generated by such agencies or by the defendant relating to conduct described in Paragraph 4 (g)-(i) above or Paragraph 13 below. Such information and reports will likely include proprietary, financial, confidential, and competitive business information, and public disclosure of the information and reports could discourage cooperation, impede pending or potential government investigations, and thus undermine the objective of the United States in obtaining such reports. For these reasons, among others, the information and reports and the contents thereof are intended to remain and shall remain nonpublic, except as otherwise agreed to by the parties in writing, or except to the extent that the United States determines in its sole discretion that disclosure would be in furtherance of

the United States' discharge of its duties and responsibilities or is otherwise required by law.

(v) The defendant understands that during the term of probation it shall: (1) report to the Antitrust Division all credible information regarding criminal violations of U.S. antitrust laws by the defendant or any of its employees as to which the defendant's Board of Directors, management (that is, all supervisors within the bank), or legal and compliance personnel are aware; and (2) report to the Criminal Division, Fraud Section all credible information regarding criminal violations of U.S. law concerning fraud, including securities or commodities fraud by the defendant or any of its employees as to which the defendant's Board of Directors, management (that is, all supervisors within the bank), or legal and compliance personnel are aware.

(vi) The defendant shall bring to the Antitrust Division's attention all federal criminal investigations in which the defendant is identified as a subject or a target, and all administrative or regulatory proceedings or civil actions brought by any federal or state governmental authority in the United States against the defendant or its employees, to the extent that such investigations, proceedings or actions allege facts that could form the basis of a criminal violation of U.S. antitrust laws, and the defendant shall also bring to the Criminal Division, Fraud Section's attention all federal criminal or regulatory investigations in which the defendant is identified as a subject or a target, and all administrative or regulatory proceedings or civil actions brought by any federal governmental authority in the United States against the defendant or its employees, to the

extent such investigations, proceedings or actions allege violations of U.S. law concerning fraud, including securities or commodities fraud.

(d) The parties agree that the term and conditions of probation imposed by the Court will not void this Plea Agreement.

(e) The defendant intends to file an application for a prohibited transaction exemption with the United States Department of Labor (“Department of Labor”) requesting that the defendant, its subsidiaries, and affiliates be allowed to continue to be qualified as a Qualified Professional Asset Manager pursuant to Prohibited Transactions Exemption 84-14. The defendant will seek such exemption in an expeditious manner and will provide all information requested of it by the Department of Labor in a timely manner. The decision regarding whether or not to grant an exemption, temporary or otherwise, is committed to the Department of Labor, and the United States takes no position on whether or not an exemption should be granted; however, if requested, the United States will advise the Department of Labor of the fact, manner, and extent of the cooperation of the defendant and its Related Entities, as defined in Paragraphs 14 and 15 of this Plea Agreement, and the relevant facts regarding the charged conduct. If the Department of Labor denies the exemption, or takes any other action adverse to the defendant, the defendant may not withdraw its plea or otherwise be released from any of its obligations under this Plea Agreement. The United States agrees that it will support a motion or request by the defendant that sentencing in this matter be adjourned until the Department of Labor has issued a ruling on the defendant’s request for an exemption, temporary or otherwise, so long as the defendant is proceeding with the Department of

Labor in an expeditious manner. To the extent that this Plea Agreement triggers other regulatory exclusions, disqualifications or penalties, the United States likewise agrees that, if requested, it will advise the appropriate officials of any governmental agency considering such action, or any waiver or exemption therefrom, of the fact, manner, and extent of the cooperation of the defendant and its Related Entities and the relevant facts regarding the charged conduct as a matter for that agency to consider before determining what action, if any, to take.

(f) The United States contends that had this case gone to trial, the United States would have presented evidence to prove that the gain derived from or the loss resulting from the charged offense is sufficient to justify the Recommended Sentence set forth in Paragraph 9 of this Plea Agreement, pursuant to 18 U.S.C. § 3571(d). For purposes of this plea and sentencing only, the defendant waives its right to contest this calculation.

(g) The defendant agrees to waive its right to the issuance of a Presentence Investigation Report pursuant to Fed. R. Crim. P. 32 and the defendant and the United States agree that the information contained in this Plea Agreement and the Information may be sufficient to enable the Court to meaningfully exercise its sentencing authority under 18 U.S.C. § 3553, pursuant to Fed. R. Crim. P. 32(c)(1)(A)(ii). Except as set forth in this Plea Agreement, the parties reserve all other rights to make sentencing recommendations and to respond to motions and arguments by the opposition.

10. The United States and the defendant agree that the applicable Guidelines fine range exceeds the fine contained in the Recommended Sentence set forth in Paragraph 9 of this

Plea Agreement. The parties agree that they will request the Court to impose the Recommended Sentence set forth in Paragraph 9 of this Plea Agreement in consideration of the Guidelines fine range and other factors set forth in 18 U.S.C. §§ 3553(a), 3572(a). Subject to the full, truthful and continuing cooperation of the defendant and its Related Entities, as defined in Paragraphs 14 and 15 of this Plea Agreement, and prior to sentencing in this case, the United States agrees that it will make a motion, pursuant to U.S.S.G. § 8C4.1 for a downward departure from the Guidelines fine range because of the defendant's and its Related Entities' substantial assistance in the United States' investigation and prosecution of violations of federal criminal law in the FX Spot Market. The parties further agree that the Recommended Sentence is sufficient, but not greater than necessary to comply with the purposes set forth in 18 U.S.C. §§ 3553(a), 3572(a).

11. Subject to the full, truthful, and continuing cooperation of the defendant and its Related Entities, as defined in Paragraphs 14 and 15 of this Plea Agreement, and prior to sentencing in the case, the United States will fully advise the Court of the fact, manner, and extent of the defendant's and its Related Entities' cooperation, and their commitment to prospective cooperation with the United States' investigation and prosecutions of violations of federal criminal law in the FX Spot Market, all material facts relating to the defendant's involvement in the charged offense and all other relevant conduct.

12. The United States and the defendant understand that the Court retains complete discretion to accept or reject the Recommended Sentence provided for in Paragraph 9 of this Plea Agreement.

(a) If the Court does not accept the Recommended Sentence, the United States and the defendant agree that this Plea Agreement, except for Paragraph 12(b) below, will be rendered void.

(b) If the Court does not accept the Recommended Sentence, the defendant will be free to withdraw its guilty plea (Fed. R. Crim. P. 11(c)(5) and (d)). If the defendant withdraws its plea of guilty, this Plea Agreement, the guilty plea, and any statement made in the course of any proceedings under Fed. R. Crim. P. 11 regarding the guilty plea or this Plea Agreement, or made in the course of plea discussions with an attorney for the United States, will not be admissible against the defendant in any criminal or civil proceeding, except as otherwise provided in Federal Rule of Evidence 410. In addition, the defendant agrees that, if it withdraws its guilty plea pursuant to this subparagraph of the Plea Agreement, the statute of limitations period for any offense referred to in Paragraph 16 of this Plea Agreement will be tolled for the period between the date of signature of this Plea Agreement and the date the defendant withdrew its guilty plea or for a period of sixty (60) days after the date of signature of this Plea Agreement, whichever period is greater.

OTHER RELEVANT CONDUCT

13. In addition to its participation in a conspiracy to fix, stabilize, maintain, increase or decrease the price of, and rig bids and offers for, the EUR/USD currency pair exchanged in the FX Spot Market, the defendant, through its currency traders and sales staff, also engaged in other currency trading and sales practices in conducting FX Spot Market transactions with customers via telephone, email, and/or electronic chat, to wit: (i) intentionally working

customers' limit orders one or more levels, or "pips," away from the price confirmed with the customer; (ii) including sales markup, through the use of live hand signals or undisclosed prior internal arrangements or communications, to prices given to customers that communicated with sales staff on open phone lines; (iii) accepting limit orders from customers and then informing those customers that their orders could not be filled, in whole or in part, when in fact the defendant was able to fill the order but decided not to do so because the defendant expected it would be more profitable not to do so; and (iv) disclosing non-public information regarding the identity and trading activity of the defendant's customers to other banks or other market participants, in order to generate revenue for the defendant at the expense of its customers.

DEFENDANT'S COOPERATION

14. The defendant and its Related Entities as defined below shall cooperate fully and truthfully with the United States in the investigation and prosecution of this matter, involving: (a) the purchase and sale of the EUR/USD currency pair, or any other currency pair, in the FX Spot Market, or any foreign exchange forward, foreign exchange option or other foreign exchange derivative, or other financial product (to the extent disclosed to the United States); (b) the conduct set forth in Paragraph 13 of this Plea Agreement; and (c) any investigation, litigation or other proceedings arising or resulting from such investigation to which the United States is a party. Such investigation and prosecution includes, but is not limited to, an investigation, prosecution, litigation, or other proceeding regarding obstruction of, the making of a false statement or declaration in, the commission of perjury or subornation of perjury in, the commission of contempt in, or conspiracy to commit such conduct or offenses in, an investigation and prosecution. The defendant's Related Entities for purposes of this Plea

Agreement are entities in which the defendant had, indirectly or directly, a greater than 50% ownership interest as of the date of signature of this Plea Agreement, including but not limited to JPMorgan Chase Bank N.A. The full, truthful, and continuing cooperation of the defendant and its Related Entities shall include, but not be limited to:

(a) producing to the United States all documents, factual information, and other materials, wherever located, not protected under the attorney-client privilege or work product doctrine, in the possession, custody, or control of the defendant or any of its Related Entities, that are requested by the United States; and

(b) using its best efforts to secure the full, truthful, and continuing cooperation of the current or former directors, officers and employees of the defendant and its Related Entities as may be requested by the United States, including making these persons available in the United States and at other mutually agreed-upon locations, at the defendant's expense, for interviews and the provision of testimony in grand jury, trial, and other judicial proceedings. This obligation includes, but is not limited to, sworn testimony before grand juries or in trials, as well as interviews with law enforcement and regulatory authorities. Cooperation under this paragraph shall include identification of witnesses who, to the knowledge of the defendant, may have material information regarding the matters under investigation.

15. For the duration of any term of probation ordered by the Court, the defendant also shall cooperate fully with the United States and any other law enforcement authority or government agency designated by the United States, in a manner consistent with applicable law and regulations, with regard to all investigations identified in Attachment A (filed under seal) to

this Plea Agreement. The defendant shall, to the extent consistent with the foregoing, truthfully disclose to the United States all factual information not protected by a valid claim of attorney-client privilege or work product doctrine protection with respect to the activities, that are the subject of the investigations identified in Attachment A, of the defendant and its Related Entities. This obligation of truthful disclosure includes the obligation of the defendant to provide to the United States, upon request, any non-privileged or non-protected document, record, or other tangible evidence about which the aforementioned authorities and agencies shall inquire of the defendant, subject to the direction of the United States.

GOVERNMENT'S AGREEMENT

16. Subject to the full, truthful, and continuing cooperation of the defendant and its Related Entities, as defined in Paragraphs 14 and 15 of this Plea Agreement, and upon the Court's acceptance of the guilty plea called for by this Plea Agreement and the imposition of the Recommended Sentence, the United States agrees that it will not bring further criminal charges, whether under Title 15 or Title 18, or other federal criminal statutes, against the defendant or any of its Related Entities:

(a) for any combination and conspiracy occurring before the date of signature of this Plea Agreement to fix, stabilize, maintain, increase or decrease the price of, and rig bids and offers for, the EUR/USD currency pair, or any other currency pair exchanged in the FX Spot Market, or any foreign exchange forward, foreign exchange option or other foreign exchange derivative, or other financial product (to the extent such financial product was disclosed to the United States), and

(b) for the conduct specifically identified in Paragraph 13 of this Plea Agreement that the defendant disclosed to the United States and that occurred between January 1, 2009 and the date of signature of this Plea Agreement.

(c) The nonprosecution terms of Paragraph 16 of this Plea Agreement do not extend to any other product, activity, service or market of the defendant, and do not apply to (i) any acts of subornation of perjury (18 U.S.C. § 1622), making a false statement (18 U.S.C. § 1001), obstruction of justice (18 U.S.C. § 1503, *et seq*), contempt (18 U.S.C. §§ 401-402), or conspiracy to commit such offenses; (ii) civil matters of any kind; (iii) any violation of the federal tax or securities laws or conspiracy to commit such offenses; or (iv) any crime of violence.

REPRESENTATION BY COUNSEL

17. The defendant has been represented by counsel and is fully satisfied that its attorneys have provided competent legal representation. The defendant has thoroughly reviewed this Plea Agreement and acknowledges that counsel has advised it of the nature of the charge, any possible defenses to the charge, and the nature and range of possible sentences.

VOLUNTARY PLEA

18. The defendant's decision to enter into this Plea Agreement and to tender a plea of guilty is freely and voluntarily made and is not the result of force, threats, assurances, promises, or representations other than the representations contained in this Plea Agreement. The United States has made no promises or representations to the defendant as to whether the Court will accept or reject the recommendations contained within this Plea Agreement.

VIOLATION OF PLEA AGREEMENT

19. The defendant agrees that, should the United States determine in good faith, during the period that any investigation or prosecution covered by Paragraph 14 is pending, or during the period covered by Paragraph 15, that the defendant or any of its Related Entities has failed to provide full, truthful, and continuing cooperation, as defined in Paragraphs 14 and 15 of this Plea Agreement respectively, or has otherwise violated any provision of this Plea Agreement, except for the conditions of probation set forth in Paragraphs 9(c)(i)-(vi), the violations of which are subject to 18 U.S.C. § 3565, the United States will notify counsel for the defendant in writing by personal or overnight delivery, email, or facsimile transmission and may also notify counsel by telephone of its intention to void any of its obligations under this Plea Agreement (except its obligations under this paragraph), and the defendant and its Related Entities will be subject to prosecution for any federal crime of which the United States has knowledge including, but not limited to, the substantive offenses relating to the investigation resulting in this Plea Agreement. The defendant agrees that, in the event that the United States is released from its obligations under this Plea Agreement and brings criminal charges against the defendant or its Related Entities for any offense referred to in Paragraph 16 of this Plea Agreement, the statute of limitations period for such offense will be tolled for the period between the date of signature of this Plea Agreement and six (6) months after the date the United States gave notice of its intent to void its obligations under this Plea Agreement.

20. The defendant understands and agrees that in any further prosecution of it or its Related Entities resulting from the release of the United States from its obligations under this Plea Agreement, because of the defendant's or its Related Entities' violation of this Plea

Agreement, any documents, statements, information, testimony, or evidence provided by it, its Related Entities, or current or former directors, officers, or employees of it or its Related Entities to attorneys or agents of the United States, federal grand juries or courts, and any leads derived therefrom, may be used against it or its Related Entities. In addition, the defendant unconditionally waives its right to challenge the use of such evidence in any such further prosecution, notwithstanding the protections of Federal Rule of Evidence 410.

ENTIRETY OF AGREEMENT

21. This Plea Agreement, Attachment A, and Attachment B constitute the entire agreement between the United States and the defendant concerning the disposition of the criminal charge in this case. This Plea Agreement cannot be modified except in writing, signed by the United States, the defendant and the defendant's counsel.

22. The undersigned is authorized to enter this Plea Agreement on behalf of the defendant as evidenced by the Resolution of the Board of Directors of the defendant attached to, and incorporated by reference in, this Plea Agreement.

23. The undersigned attorneys for the United States have been authorized by the Attorney General of the United States to enter this Plea Agreement on behalf of the United States.

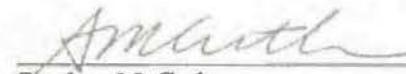
24. A facsimile or PDF signature will be deemed an original signature for the purpose of executing this Plea Agreement. Multiple signature pages are authorized for the purpose of executing this Plea Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

AGREED:

FOR JPMORGAN CHASE & CO.

Date: 5/19/2015

By: 
Stephen M. Cutler

Date: 5/19/2015

By: 
John K. Carroll, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP

FOR THE DEPARTMENT OF JUSTICE, ANTITRUST DIVISION:

JEFFREY D. MARTINO
Chief, New York Office
Antitrust Division
United States Department of Justice

Date: _____

By: _____
Joseph Muoio, Trial Attorney
Eric L. Schleef, Trial Attorney
Bryan C. Bughman, Trial Attorney
Carrie A. Syme, Trial Attorney
George S. Baranko, Trial Attorney
Eric C. Hoffmann, Trial Attorney

FOR THE DEPARTMENT OF JUSTICE, CRIMINAL DIVISION, FRAUD SECTION:

ANDREW WEISSMANN
Chief, Fraud Section
Criminal Division
United States Department of Justice

Date: _____

By: _____
Daniel A. Braun, Deputy Chief
Benjamin D. Singer, Deputy Chief
Albert B. Stieglitz, Jr., Assistant Chief
Melissa T. Aoyagi, Trial Attorney

AGREED:

FOR JPMORGAN CHASE & CO.:

Date: _____

By: _____
Stephen M. Cutler, Esq.
Executive Vice President and General
Counsel, JPMorgan Chase & Co.

Date: _____

By: _____
John K. Carroll, Esq.
Skadden, Arps, Slate, Meagher & Flom LLP

FOR THE DEPARTMENT OF JUSTICE, ANTITRUST DIVISION:

JEFFREY D. MARTINO
Chief, New York Office
Antitrust Division
United States Department of Justice

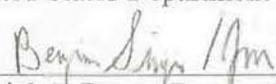
Date: 5/20/15

By: 
Joseph Muoio, Trial Attorney
Eric L. Schleaf, Trial Attorney
Bryan C. Bughman, Trial Attorney
Carrie A. Syme, Trial Attorney
George S. Baranko, Trial Attorney
Eric C. Hoffmann, Trial Attorney
Grace Pyun, Trial Attorney

FOR THE DEPARTMENT OF JUSTICE, CRIMINAL DIVISION, FRAUD SECTION:

ANDREW WEISSMANN
Chief, Fraud Section
Criminal Division
United States Department of Justice

Date: 5/20/15

By: 
Daniel A. Braun, Deputy Chief
Benjamin D. Singer, Deputy Chief
Albert B. Stieglitz, Jr., Assistant Chief
Melissa T. Aoyagi, Trial Attorney

ATTACHMENT B
DISCLOSURE NOTICE

The purpose of this notice is to disclose certain practices of JPMorgan Chase & Co. and its affiliates (together, "JPMorgan Chase" or the "Firm") when it acted as a dealer, on a principal basis, in the spot foreign exchange ("FX") markets. We want to ensure that there are no ambiguities or misunderstandings regarding those practices.

To begin, conduct by certain individuals has fallen short of the Firm's expectations. The conduct underlying the criminal antitrust charge by the Department of Justice is unacceptable. Moreover, as described in our November 2014 settlement with the U.K. Financial Conduct Authority relating to our spot FX business, in certain instances during the period 2008 to 2013, certain employees intentionally disclosed information relating to the identity of clients or the nature of clients' activities to third parties in order to generate revenue for the Firm. This also was contrary to the Firm's policies, unacceptable, and wrong. The Firm does not tolerate such conduct and already has committed significant resources in strengthening its controls surrounding our FX business.

The Firm has engaged in other practices on occasion, including:

- We added markup to price quotes using hand signals and/or other internal arrangements or communications. Specifically, when obtaining price quotes for bids or offers from the Firm, certain clients requested to be placed on open telephone lines, meaning the client could hear pricing not only from a salesperson, but also from the trader who would be executing the client's order. In certain instances, certain of our salespeople used hand signals to indicate to the trader to add markup to the price being quoted to the client on the open telephone line, so as to avoid informing the client listening on the phone of the markup and/or the amount of the markup. For example, prior to agreement between the client and the Firm to transact for the purchase of €100, a salesperson would, in certain instances, indicate with hand signals that the trader should add two pips of markup in providing a specific price to the client (*e.g.*, a EURUSD rate of 1.1202, rather than 1.1200) in order to earn the Firm markup in connection with the prospective transaction.
- We have, without informing clients, worked limit orders at levels (*i.e.*, prices) better than the limit order price so that we would earn a spread or markup in connection with our execution of such orders. This practice could have impacted clients in the following ways: (1) clients' limit orders would be filled at a time later than when the Firm could have obtained currency in the market at the limit orders' prices, and (2) clients' limit orders would not be filled at all, even though the Firm had or could have obtained currency in the market at the limit orders' prices. For example, if we accepted an order to purchase €100 at a limit of 1.1200 EURUSD, we might choose to try to purchase the currency at a EURUSD rate of 1.1199 or better so that, when we sought in turn to fill the client's order at the order price (*i.e.*, 1.1200), we would make a spread or markup of 1 pip or better on the transaction. If the Firm were unable to obtain the currency at the 1.1199 price, the clients' order may not be filled as a result of our choice to make this spread or markup.

- We made decisions not to fill clients' limit orders at all, or to fill them only in part, in order to profit from a spread or markup in connection with our execution of such orders. For example, if we accepted a limit order to purchase €100 at a EURUSD rate of 1.1200, we would in certain instances only partially fill the order (*e.g.*, €70) even when we had obtained (or might have been able to obtain) the full €100 at a EURUSD rate of 1.1200 or better in the marketplace. We did so because of other anticipated client demand, liquidity, a decision by the Firm to keep inventory at a more advantageous price to the Firm, or for other reasons. In doing so, we did not inform our clients as to our reasons for not filling the entirety of their orders.

JPMorgan Chase & Co.

Secretary's Certificate of Corporate Resolution

I, Anthony J. Horan, Corporate Secretary of JPMorgan Chase & Co. ("JPMC"), hereby certify that the following resolutions were adopted at a meeting of the Board of Directors of JPMC, on May 19, 2015, which meeting was duly called and at which a quorum was present, and that such resolutions remain in force as of the date hereof:

WHEREAS, the Board of Directors of JPMorgan Chase & Co. ("JPMC"), having considered:

The discussions between JPMC, through its legal counsel, and the United States Department of Justice, Criminal Division, Fraud Section, and the Antitrust Division regarding its investigation into potential criminal violations relating to foreign exchange spot trading;

The proposed Information and a Plea Agreement, with attachments, as circulated to the board on May 18, 2015; and

The advice to the Board from its legal counsel regarding the Information and the terms of the Plea Agreement, as well as the advice regarding the waiver of rights and other consequences of signing the Plea Agreement.

After discussion, on motion duly made, the following resolution was adopted:

RESOLVED: That the Board of Directors has been advised of the contents of the Information and the proposed Plea Agreement and its attachments in the matter of the United States versus JPMC and voted to authorize entry into the proposed Plea Agreement and to authorize JPMC to plead guilty to the charge specified in the Information; and that Stephen M. Cutler, Executive Vice President and General Counsel or any other executive officer of JPMC, or an appropriate designee, is hereby authorized (i) to execute the Plea Agreement on behalf of JPMC, with such modifications as he may approve, (ii) to act and speak on behalf of JPMC, in any proceeding or as otherwise necessary for the purpose of executing the Plea Agreement, including entry of a guilty plea on behalf of JPMC, (iii) to take further action necessary to carry into effect the intent and purpose of this written resolution, and (iv) to provide to the United States Department of Justice a certified copy of this written resolution.



Anthony J. Horan
May 19, 2015

Fed Order

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the Matter of

JPMORGAN CHASE & CO.
New York, New York

Docket No. 15-009-B-HC
15-009-CMP-HC

Order to Cease and Desist and
Order of Assessment of a Civil
Money Penalty Issued Upon Consent
Pursuant to the Federal Deposit
Insurance Act, as Amended

WHEREAS, JPMorgan Chase & Co., New York, New York (“JPMC”), a registered bank holding company, owns and controls JPMorgan Chase Bank, N.A., Columbus, Ohio (the “Bank”), other U.S. insured depository institutions, various Edge Act corporations organized under section 25A of the Federal Reserve Act (12 U.S.C. § 611 et seq.), and multiple other nonbank subsidiaries (together, the “Firm”);

WHEREAS, JPMC has adopted a Firm-wide risk management, compliance and audit program designed to identify and manage risks across the consolidated organization;

WHEREAS, JPMC, through the Bank and certain other affiliates (“FX Subsidiaries”), serves as a foreign exchange (“FX”) dealer, both in the United States and in its offices abroad, by buying and selling U.S. dollars and foreign currency for its own account and by soliciting and receiving orders through communications between customers and sales personnel that are executed by traders in the spot market (“Covered FX Activities”);

WHEREAS, the FX benchmarks published by the World Markets Company plc/Reuters (“WM/R”), the European Central Bank (“ECB”), and other reference rate providers affect the prices of certain FX currency transactions in the United States and international financial

markets. These reference rates are set using different methodologies and, in the case of the reference rates published by WM/R and ECB, can be affected by FX trading at or around the time the benchmark is calculated;

WHEREAS, in soliciting and receiving orders from customers in its Covered FX Activities, personnel of the FX Subsidiaries may provide customers with, among other things, price quotes for specific prospective transactions and the prices and amounts of currency purchased or sold in trades based on customers' orders;

WHEREAS, in addition to Covered FX Activities, the FX Subsidiaries engage in other trading activities and related sales activities involving FX, including FX trading where a customer directly inputs an order through an electronic platform ("Electronic Trading"), and in wholesale markets for commodities and interest rate products where the FX Subsidiaries act as principal, prices and rates are or can be influenced by industry benchmark prices or rates, and compliance and control risk factors and vulnerabilities are similar to those related to Covered FX Activities (collectively with Covered FX Activities, "Designated Market Activities");

WHEREAS, JPMC has conducted a review of its Covered FX Activities occurring from 2008 through 2013 (the "Review Period"), has identified and reported relevant conduct to the Board of Governors and the Reserve Bank, has fully cooperated with the Board of Governors and the Reserve Bank, and has made and continues to make progress in implementing enhancements to its Firm-wide compliance systems and controls that are designed to address deficiencies in the Firm's Covered FX Activities;

WHEREAS, the Board of Governors, the Department of Justice ("DOJ"), the Office of the Comptroller of the Currency ("OCC"), the Commodity Futures Trading Commission ("CFTC"), and the United Kingdom Financial Conduct Authority ("FCA") have conducted or have been

conducting investigations into the practices of JPMC and its direct and indirect subsidiaries relating to FX activities;

WHEREAS, on November 11, 2014, the Bank consented to the issuance of a Cease and Desist Order and Assessment of a Civil Money Penalty by the OCC relating to deficient practices in FX activities at the Bank;

WHEREAS, on November 11, 2014, the Bank reached a settlement with the FCA relating to a breach of principle 3 of the FCA's Principles for Businesses, in connection with the FCA's investigation into the wholesale foreign exchange trading market;

WHEREAS, on November 11, 2014, the Bank consented to the issuance of an Order by the CFTC relating to FX activities;

WHEREAS, on May 20, 2015, JPMC signed an agreement with the DOJ to plead guilty to a criminal violation of the U.S. antitrust laws based on a conspiracy to eliminate competition in the purchase and sale of the EUR/USD currency pair including, in certain instances, the coordination of trading around the WM/R and ECB benchmark fixes;

WHEREAS, during the Review Period:

A. JPMC lacked adequate Firm-wide governance, risk management, compliance and audit policies and procedures to ensure that the Firm's Covered FX Activities conducted at the FX Subsidiaries complied with safe and sound banking practices, applicable U.S. laws and regulations, including policies and procedures to prevent potential violations of the U.S. commodities, antitrust and criminal fraud laws, and applicable internal policies;

B. FX traders in the spot market at the FX Subsidiaries routinely communicated with FX traders at other financial institutions through chatrooms on electronic messaging platforms accessible by traders at multiple institutions;

C. JPMC's deficient policies and procedures prevented JPMC from detecting and addressing unsafe and unsound conduct by the FX Subsidiaries' traders, including in communications by traders in multibank chatrooms, consisting of:

(i.) disclosures to traders of other institutions of confidential customer information of the FX Subsidiaries;

(ii.) agreements with traders of other institutions to coordinate FX trading in a manner designed to influence the WM/R and ECB FX benchmark fixes and market prices generally;

(iii.) trading strategies that raised potential conflicts of interest; and

(iv.) possible agreements with traders of other institutions regarding bid/offer spreads offered to FX customers;

D. JPMC's deficient policies and procedures prevented JPMC from detecting and addressing unsafe and unsound conduct by the FX Subsidiaries' sales personnel regarding:

(i.) the provision of information to customers regarding price quotes; and

(ii.) the provision of information to customers about how a customer's FX order is filled;

E. As a result of deficient policies and procedures described above, JPMC engaged in unsafe and unsound banking practices;

WHEREAS, the Federal Reserve Bank of New York (the "Reserve Bank") conducted a supervisory review of the compliance and control infrastructure governing JPMC's FX trading activities. Among other things, the Reserve Bank identified areas for improvement in JPMC's compliance and control infrastructure relating to its FX businesses;

WHEREAS, to address the deficiencies described above, JPMC has made and must

continue to implement additional improvements in its oversight, internal controls, compliance, risk management and audit programs for Designated Market Activities in order to comply with JPMC policies, safe and sound banking practices, and applicable U.S. laws and regulations;

WHEREAS, the Board of Governors, the Reserve Bank, and JPMC have the common goal to ensure that JPMC and its subsidiaries conduct their activities in a safe and sound manner and comply with U.S. laws, rules, and regulations that apply to the activities of the JPMC organization, and that JPMC fosters a strong Firm-wide commitment towards compliance;

WHEREAS, the Board of Governors is issuing this consent Order;

WHEREAS, pursuant to delegated authority, Stephen M. Cutler is authorized to enter into this Order on behalf of JPMC, and to consent to compliance with each and every provision of this Order by JPMC and to waive any and all rights that JPMC may have pursuant to section 8 of the Federal Deposit Insurance Act, as amended (“FDI Act”) (12 U.S.C. § 1818), including, but not limited to: (i) the issuance of a notice of charges on any matters set forth in this Order; (ii) a hearing for the purpose of taking evidence on any matters set forth in this Order; (iii) judicial review of this Order; and (iv) challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of the Order or any provision hereof.

NOW, THEREFORE, it is hereby ordered by the Board of Governors that, before the filing of the notices, or taking of any testimony, or adjudication of or finding on any issues of fact or law herein, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended hearings or testimony, pursuant to sections 8(b)(1) and (3) of the FDI Act (12 U.S.C. §§1818(b)(1) and 1818(b)(3)), JPMC and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the FDI Act (12 U.S.C. §§ 1813(u) and 1818(b)(3)), shall cease and desist and take affirmative action as follows:

Senior Management Oversight

1. Within 90 days of this Order, the board of directors of JPMC or an authorized committee thereof shall submit a written plan acceptable to the Reserve Bank to improve senior management's oversight of JPMC's compliance with applicable U.S. laws and regulations and applicable internal policies in connection with the Firm's Designated Market Activities. The plan shall, at a minimum, address, consider, and include:

(a) measures to ensure that senior management periodically reassess risks associated with the Firm's Designated Market Activities to proactively identify areas vulnerable to employee misconduct;

(b) measures to ensure management's effective oversight of staff's compliance with policies, procedures, and internal controls designed to deter and detect potential employee misconduct in connection with the Firm's Designated Market Activities; and

(c) periodic monitoring by senior management and reporting to the board of directors or an authorized committee thereof on the status and results of measures taken, or to be taken, to correct identified deficiencies and to comply with this Order and to ensure the ongoing efficacy of JPMC's overall program.

Internal Controls and Compliance Program

2. Within 90 days of this Order, JPMC shall submit an enhanced written internal controls and compliance program acceptable to the Reserve Bank to comply with applicable U.S. laws and regulations with respect to the Firm's Designated Market Activities. The program shall, at a minimum, address, consider, and include:

- (a) enhancement of comprehensive policies and procedures to ensure compliance with applicable U.S. laws and regulations by JPMC's global business lines that engage in Designated Market Activities, including U.S. commodities, antitrust and criminal fraud laws, and a review of JPMC's policies and procedures relating to the Firm's Designated Market Activities, including conflict of interest policies, client confidentiality policies, and a code of conduct or other statement of conduct or policies;
- (b) provisions that clearly identify the Designated Market Activities covered by the policies and procedures;
- (c) measures to ensure compliance with policies and applicable U.S. laws and regulations applicable to Designated Market Activities by JPMC's global business lines;
- (d) the duties and responsibilities of personnel responsible for overseeing compliance with policies and procedures relating to the Firm's Designated Market Activities, including the reporting lines within the Firm;
- (e) policies and procedures that define management responsibilities and establish accountability within all business lines that engage in Designated Market Activities;
- (f) a comprehensive and effective system of internal controls to monitor and detect potential employee misconduct in connection with the Firm's Designated Market

Activities, which shall include, but not be limited to, transaction monitoring and communication surveillance that is commensurate with the level and nature of the risks inherent in the market;

(g) establishment of comprehensive policies and procedures to ensure that sales personnel and traders do not communicate inaccurate or misleading information to customers regarding: (i) the amount of markup, commission, or other service charge applied to customer orders by the Firm; and (ii) how orders are executed by the Firm;

(h) a revised code of conduct or other statement of conduct or policies for employees engaged in Designated Market Activities that establishes rules and procedures governing, among other matters, (i) the types of communications media employees may use to communicate with employees at other institutions that trade in the same financial instruments or products and the circumstances when employees may use these communications media; (ii) the types of trading information of the Firm that may be disclosed to employees of other institutions that trade in the same financial instruments or products; (iii) the types of information and circumstances under which confidential customer information may be shared outside of the Firm; and (iv) appropriate conduct in responding to potential conflicts of interest with customers that place orders for execution by the Firm, including procedures for the timing of the execution of customer orders;

(i) enhancement of the compliance reporting process for the Firm's Designated Market Activities that is widely publicized within the global organization and integrated into JPMC's other reporting systems, through which employees report known or suspected violations of JPMC policies and U.S. law and regulations, including U.S. commodities, antitrust and criminal fraud laws, and that includes a process designed to ensure

that known or suspected violations are promptly escalated to appropriate personnel for appropriate resolution and reporting; and

(j) training for JPMC's employees engaged in Designated Market Activities in conduct-related issues appropriate to the employee's job responsibilities that is provided on an ongoing, periodic basis.

Compliance Risk Management Program

3. Within 90 days of this Order, JPMC shall submit a written plan acceptable to the Reserve Bank to improve its compliance risk management program with regard to compliance by the Firm with applicable U.S. laws and regulations with respect to Designated Market Activities Firm-wide. The plan shall, at a minimum, address, consider, and include:

(a) identification of all business lines that engage in Designated Market Activities and the attendant legal and compliance risks to ensure that such activities are appropriately risk-rated and included in the Firm-wide compliance risk assessment;

(b) completion, within 90 days of the Reserve Bank's approval of the plan, of a Firm-wide risk assessment to evaluate current potential conduct risks associated with all areas relating to the Firm's Designated Market Activities;

(c) prior to trading new financial products or instruments in connection with the Firm's Designated Market Activities, a review of potential risks, including, but not limited to, reputational risk, fraud risk, and potential for misconduct, associated with the proposed new activity;

(d) development of comprehensive risk assessment processes for the Firm's Designated Market Activities, which shall identify: (i) the scope and frequency of such reviews, (ii) compliance risks, and (iii) all applicable risk factors and mitigating controls; and

(e) measures to ensure that material risk management issues related to potential employee misconduct in connection with the Firm's Designated Market Activities are escalated to and addressed in a timely manner by senior management and the board of directors or a committee thereof, as appropriate.

Controls Review

4. (a) During the term of this Order, to ensure that the internal controls of JPMC required under paragraph 2 of the Order are functioning effectively to detect, correct, and report misconduct with regard to Designated Market Activities that are required to comply with applicable U.S. laws and regulations, JPMC management, utilizing personnel who are independent of the business line and acceptable to the Reserve Bank, shall conduct on an annual basis: (i) a review of compliance policies and procedures applicable to the Firm's Designated Market Activities and their implementation, and (ii) an appropriate risk-focused sampling of other key controls for JPMC's Firm-wide Designated Market Activities (the "Controls Review").

(b) The results of each Controls Review shall be submitted to the Reserve Bank within 90 days of the corresponding anniversary date of this Order. Upon request, JPMC shall provide to the Reserve Bank the materials relied upon in conducting each Controls Review.

Internal Audit

5. Within 90 days of this Order, JPMC shall submit an enhanced written internal audit program acceptable to the Reserve Bank with respect to the Firm's compliance with applicable U.S. laws and regulations in its Designated Market Activities. The program shall, at a minimum, address, consider, and include:

(a) periodic internal audit reviews of business line controls and compliance detection and monitoring processes, as applicable, designed to identify and prevent potential misconduct in connection with the Firm's Designated Market Activities;

(b) enhanced escalation procedures for the timely resolution of material audit exceptions and recommendations in connection with the Firm's Designated Market Activities; and

(c) the periodic review of risk assessments to ensure emerging risks associated with the Firm's Designated Market Activities are appropriately identified and monitored.

Assessment of Civil Money Penalty

6. The Board of Governors hereby assesses JPMC a civil money penalty in connection with Covered FX Activities in the amount of \$342,000,000, which shall be remitted at the time of the execution of this Order by Fedwire transfer of immediately available funds to the Federal Reserve Bank of Richmond, ABA No. 1000033, beneficiary, Board of Governors of the Federal Reserve System. The Federal Reserve Bank of Richmond, on behalf of the Board of Governors, shall distribute this sum to the U.S. Department of the Treasury, pursuant to section 8(i) of the FDI Act (12 U.S.C. § 1818(i)).

Approval, Implementation, and Progress Reports

7. (a) JPMC shall submit the written plans and programs that are acceptable to the Reserve Bank as set forth in paragraphs 1, 2, 3, and 5 of this Order. Each plan or program shall contain a timeline for full implementation of the plan or program with specific deadlines for the completion of each component of the plan or program.

(b) Within 10 days of approval by the Reserve Bank, JPMC shall adopt the approved plans and programs. Upon adoption, JPMC shall promptly implement the approved plan and programs and thereafter fully comply with them.

(c) During the term of this Order, the approved plans and programs shall not be amended or rescinded without the prior written approval of the Reserve Bank.

8. Within 30 days after the end of the first full calendar quarter following the date of this Order, and quarterly thereafter, JPMC shall submit to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with the provisions of this Order and the results thereof.

Accountability for Employees Involved in Misconduct

9. JPMC shall not in the future directly or indirectly retain any individual as an officer, employee, agent, consultant, or contractor of JPMC or of any subsidiary of JPMC who, based on the investigative record compiled by U.S. authorities, has done all of the following: (i) participated in the misconduct underlying this Order, (ii) been subject to formal disciplinary action as a result of the Firm's internal disciplinary review or performance review in connection with the conduct described above, and (iii) either separated from JPMC or any subsidiary thereof or had his or her employment terminated in connection with the conduct described above.

10. JPMC shall continue to fully cooperate with and provide substantial assistance to the Board of Governors, including but not limited to, the provision of information, testimony, documents, records, and other tangible evidence and perform analyses as directed by the Board of Governors in connection with the investigations of whether separate enforcement actions should be taken against individuals who are or were institution-affiliated parties of JPMC and who were involved in the misconduct underlying this Order. For purposes of clarity and not

limitation, substantial assistance as used in this Order means JPMC will use its best efforts, as determined by the Board of Governors, to make available for interviews or testimony, as requested by the Board of Governors, present or former officers, directors, employees, agents and consultants of JPMC, to the extent permitted by law. This obligation includes, but is not limited to, sworn testimony pursuant to administrative subpoena as well as interviews with regulatory authorities. Cooperation under this paragraph shall also include identification of witnesses who, to the knowledge of JPMC, may have material information regarding the matters under investigation and the preparation and provision of trading analyses.

Notices

11. All communications regarding this Order shall be sent to:
 - (a) Richard M. Ashton
Deputy General Counsel
Board of Governors of the Federal Reserve System
Washington, D.C. 20551
 - (b) Bruce T. Richards
Senior Vice President
Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045
 - (c) Stephen M. Cutler
Executive Vice President and General Counsel
JPMorgan Chase & Co.
270 Park Avenue, 48th Fl.
New York, NY 10017-2014

Miscellaneous

12. Notwithstanding any provision of this Order to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to JPMC to comply with this Order.

13. The provisions of this Order shall be binding upon JPMC and each of its institution-affiliated parties, in their capacities as such, and their successors and assigns.

OCC Order

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:

JPMorgan Chase Bank, N.A.
Columbus, Ohio

AA-EC-14-100

CONSENT ORDER

The Comptroller of the Currency of the United States of America ("Comptroller"), through his national bank examiners and other staff of the Office of the Comptroller of the Currency ("OCC"), has conducted an examination of JPMorgan Chase Bank, N.A., Columbus, Ohio ("Bank"). The Bank engages in foreign exchange business (including G10 and other currencies, sales and trading in spot, forwards, options, or other derivatives) and the OCC has identified certain deficiencies and unsafe or unsound practices related to the Bank's wholesale foreign exchange business where it is acting as principal ("FX Trading"). The OCC has informed the Bank of the findings resulting from the examination.

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a "Stipulation and Consent to the Issuance of a Consent Order," dated November 11, 2014, that is accepted by the Comptroller ("Stipulation"). By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Cease and Desist Order ("Order") by the Comptroller. The Bank has committed to taking all necessary and appropriate steps to remedy the deficiencies and unsafe or unsound practices identified by the OCC and has begun implementing procedures to remediate the practices addressed in this Order.

ARTICLE I

COMPTROLLER'S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) The foreign exchange ("FX") market is one of the largest and most liquid markets in the world. The FX market enables participants to buy, sell, exchange, hedge and speculate on currencies. The spot FX market is decentralized and lacks a comprehensive set of rules and regulations governing market activities and conduct. The Bank for International Settlements estimates that the daily average volume turnover of the global FX market was over five trillion dollars in April 2013 with spot transactions making up over two trillion in turnover every day.

(2) The G10 spot FX market includes transactions between two parties to exchange currencies with settlement on a spot date (generally within two business days). G10 currencies include the U.S. dollar, euro, British pound, Japanese yen, Swedish krona, Norwegian krone, Australian dollar, New Zealand dollar, Swiss franc, and the Canadian dollar. The Bank for International Settlements estimates that daily average turnover in G10 currency pairs accounts for approximately seventy five percent (75%) of total FX turnover.

(3) WM/Reuters ("WM/R") publishes a series of hourly intraday spot rates ("benchmarks" or "fixes") for certain currency pairs, including a "closing" rate at end of the trading day in London at 4:00 p.m. London Time. For certain currency pairs, WM/R calculates the published rate using the trading activity on a particular electronic trading platform during a one minute window ("fixing window") thirty seconds before and thirty seconds after the end of each hour.

(4) The European Central Bank ("ECB") also establishes reference rates for various currency pairs generally at 2:15 p.m. Central European Time.

(5) Rates established at these fixes are used by global financial market participants to execute trades and by others such as corporations, asset managers, and pension funds to value their portfolios and transact at a published benchmark rate.

(6) The Bank was an active dealer in the G10 spot foreign exchange market during the period from 2008 through 2013 (“Relevant Period”).

(7) As a dealer in the spot FX market, the Bank provides liquidity in G10 currencies by acting as a principal market maker, trading with other dealers and customers on behalf of the Bank, and to seek to earn a profit on the bid-ask spread.

(8) While much of spot FX is transacted on electronic trading platforms, the Bank has “voice” traders who interact with the Bank’s FX sales personnel, or in some cases, the customer directly, to execute the customer’s order as a principal by transacting in the market or dealing from the Bank’s inventory.

(9) The Bank agrees to transact with customers through various types of orders, including in relevant part:

- (a) Market orders, to buy or sell at the best available market price;
- (b) Limit orders, including stop loss orders and take profit orders, in which the Bank agrees to buy or sell to the customer upon the currency pair reaching a specified rate; and
- (c) Fix orders, in which the Bank agrees that it will buy or sell to the customer at a specified forthcoming fix rate. The Bank may seek to manage risk associated with forthcoming fix orders by transacting prior to the fixing window in an amount sufficient to cover the Bank’s net fix orders.

(10) The Bank's FX traders encountered potential conflicts of interest between trading to maximize the Bank's profit or the trader's profit, or both, and providing fair execution to the Bank's customers.

(11) Use of electronic messaging platforms was common among traders throughout the industry. During the Relevant Period, the Bank's FX spot traders participated in multibank chatrooms on instant messaging platforms, until it prohibited such communications in December 2013.

(12) While participating in multibank chatrooms, some of the Bank's G10 spot FX traders discussed engaging in potential misconduct with traders from other banks or market participants, including:

- (a) Discussions of coordinating trading strategies among the Bank's traders and traders at other banks to attempt to manipulate the WM/R spot FX benchmark rates or ECB spot FX reference rates to the benefit of the trader or the bank or both and to the potential detriment to some of the Bank's customers;
- (b) Discussions of trading, either alone or collusively, to trigger customers' limit orders, such as stop loss or take profit orders, or customers' barrier options for the trader or Bank's benefit and to the potential detriment of such customers;
- (c) Discussions of trading in advance of pending customers' orders for the trader or Bank's benefit and to the potential detriment of such customers;
- (d) Discussions about agreements not to trade in a particular currency pair while other traders were doing so; and

- (e) Disclosure of confidential Bank information, including the disclosure of information regarding customer order flows and proprietary Bank information, such as FX rate spreads.

(13) These communications occurred during the Relevant Period and went undetected by the Bank for several years.

(14) The OCC engaged in a joint, targeted examination of the Bank and its foreign exchange business with the Federal Reserve Bank of New York. The OCC's examination findings established that the Bank had deficiencies in its internal controls and had engaged in unsafe or unsound banking practices with respect to the oversight and governance of the Bank's FX trading business such that the Bank failed to detect and prevent the conduct set forth in paragraph twelve (12). The deficiencies and unsafe or unsound practices include the following:

- (a) The Bank's oversight and governance of its FX trading business were weak and lacked adequate formal guidance to mitigate and manage risks related to market conduct in FX Trading with respect to sales, trading and supervisory employees in that business ("Employee");
- (b) The Bank's compliance risk assessment lacked sufficient granularity and failed to identify the risks related to Employee market conduct in FX Trading;
- (c) The Bank's transaction monitoring and communications surveillance were inadequate to detect potential Employee market misconduct in FX Trading;

- (d) The Bank's compliance testing procedures were inadequate to measure adherence to the Bank's standards of Employee conduct and firm policies applicable to Employee market conduct in FX Trading; and
- (e) Internal audit's risk assessment and coverage of the FX trading business needed improvement to assess whether the Bank's control framework was effective in identifying and mitigating compliance risks related to Employee market conduct.

(15) The OCC previously criticized the Bank's documentation and recordkeeping support, management review, post-submission monitoring, communications monitoring and audit coverage, and requested the Bank to perform a gap analysis of the Bank's submissions in the LIBOR (London interbank offered rate) benchmark rate setting process.

(16) The Bank has committed to, and has already begun, taking necessary and appropriate steps to remedy the deficiencies and unsafe or unsound practices identified by the OCC.

ORDER

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. §1818(b), the Comptroller hereby ORDERS that:

ARTICLE II

COMPLIANCE COMMITTEE

(1) The Board shall appoint and maintain a Compliance Committee of at least three (3) directors, of which a majority may not be employees or officers of the Bank or any of its subsidiaries or affiliates. The Compliance Committee may also include one or more directors of the Bank's holding company as one or more of the required directors, if acceptable to the

Examiner in Charge for Large Bank Supervision (“Examiner-in-Charge”). At formation and thereafter in the event of a change in the membership, the names of the members of the Compliance Committee shall be submitted to the Examiner-in-Charge. The Compliance Committee shall be responsible for monitoring and coordinating the Bank’s compliance with the provisions of this Order. The Compliance Committee shall meet at least eight (8) times per year and maintain minutes of its meetings.

(2) Within one hundred eighty (180) days of the effective date of this Order, and thereafter within thirty (30) days after the end of each calendar quarter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail the actions taken to comply with each Article of this Order, and the results and status of those actions.

(3) The Board shall forward a copy of the Compliance Committee’s report, with any additional comments by the Board, to the Deputy Comptroller for Large Bank Supervision (“Deputy Comptroller”) and the Examiner-in-Charge within ten (10) days of receiving such report.

ARTICLE III

COMPREHENSIVE ACTION PLAN

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit to the Deputy Comptroller and Examiner-in-Charge for review and written determination of no supervisory objection an acceptable plan containing a complete description of the actions that are necessary and appropriate to achieve compliance with Articles IV through IX of this Order (“Action Plan”).

(2) The Action Plan shall provide for, at a minimum:

- (a) Adequate financial resources to develop and implement the plans required under this Order and appropriate controls and oversight related to Employee market conduct in FX trading consistent with safe and sound banking practices;
- (b) The organizational structure, managerial resources, and staffing to support the plans required under this Order;
- (c) Adequate staffing and other resources sufficient to identify, understand, measure, monitor and control the risks related to Employee market conduct in FX Trading; and
- (d) Adequate oversight and governance sufficient to identify, understand, measure, monitor and control the risks related to Employee market conduct in FX Trading and the provisions of this Order.

(3) The Action Plan shall specify timelines for completion of each of the requirements of Articles IV through IX of this Order. The timelines in the Action Plan shall be consistent with any deadlines set forth in this Order.

(4) The Board shall ensure that the Bank achieves and thereafter maintains compliance with this Order, including, without limitation, successful implementation of the Action Plan. The Board shall further ensure that, upon implementation of the Action Plan, the Bank achieves and maintains effective controls, oversight and governance, monitoring and surveillance, compliance testing, and audit coverage related to Employee market conduct in FX Trading. In each instance in this Order in which the Board is required to ensure adherence to, or undertake to perform certain obligations, it is intended to mean that the Board shall:

- (a) Require the timely reporting by Bank management of such actions directed by the Board to be taken under this Order and the results of such actions;
- (b) Require that the reporting by Bank management is timely, adequate and accurate; and
- (c) Require timely and appropriate corrective action by Bank management to remedy material non-compliance with any Article of this Order.

ARTICLE IV

BOARD AND MANAGEMENT OVERSIGHT AND GOVERNANCE

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit an acceptable written plan to provide for (i) appropriate management oversight related to Employee market conduct in FX Trading and (ii) appropriate governance by the Board over Bank management's oversight of Employee market conduct in FX Trading ("Oversight and Governance Plan").

(2) The Oversight and Governance Plan shall provide for oversight of the Bank's development and implementation of internal processes to appropriately manage material risks to the Bank with respect to Employee market conduct in FX Trading, and shall at a minimum:

- (a) Establish or enhance policies, procedures, and control processes to ensure clear and consistent definitions of Employee market misconduct in FX Trading;
- (b) Establish or enhance clearly defined oversight roles and responsibilities for FX Trading, including compliance oversight and audit coverage;

- (c) Establish processes that require the Bank to timely, fully and accurately report material Employee market misconduct in FX Trading to the OCC and to respond to related OCC requests for information; and
- (d) Require that the Bank clearly documents decisions and rationales related to Employee market misconduct in FX Trading.

(3) The Bank shall not authorize any other party, including but not limited to the Bank's holding company, or any of the Bank's affiliates, to perform any act on behalf of the Bank required under this Order, unless the Bank requires that party to perform such act in the manner and under safeguards and controls as least as stringent as required by the Bank under the terms of this Order as implemented by the Bank.

(4) Upon receipt of a determination of no supervisory objection to the Oversight and Governance Plan, the Board shall ensure that the Bank implements and adheres to the Oversight and Governance Plan. Any proposed material changes to or deviations from the approved Oversight and Governance Plan shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

ARTICLE V

COMPLIANCE RISK ASSESSMENT PLAN

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit an acceptable written plan to provide for a compliance risk assessment sufficiently granular to identify risks related to Employee market conduct in FX Trading ("Compliance Risk Assessment Plan").

(2) The Compliance Risk Assessment Plan shall provide for the effective identification of current and emerging risks in FX Trading related to Employee market conduct, and shall at a minimum:

- (a) Contain sufficient granularity to reasonably identify and measure those risks; and
- (b) Incorporate lessons learned from both internal and external control failures.

(3) Upon receipt of a determination of no supervisory objection to the Compliance Risk Assessment Plan, the Board shall ensure that the Bank implements and adheres to the Compliance Risk Assessment Plan. Any proposed material changes to or deviations from the approved Compliance Risk Assessment Plan shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

ARTICLE VI

COMPLIANCE MONITORING AND SURVEILLANCE

(1) Within one hundred twenty (120) days of this effective date of this Order, the Bank shall submit an acceptable written plan to provide for appropriate monitoring and communications surveillance related to Employee market conduct in FX Trading (“Monitoring and Surveillance Plan”).

(2) The Monitoring and Surveillance Plan shall provide for adequate transaction monitoring and electronic communications surveillance processes to ensure that the Bank provides strong supervision of Employee market conduct and communications in FX Trading, and shall at a minimum:

- (a) Establish or enhance minimum monitoring and surveillance processes across the various jurisdictions in which the Bank engages in FX Trading that are reasonably designed to detect Employee market misconduct, subject to applicable laws;
- (b) Establish or enhance policies and procedures documenting the Bank's monitoring and surveillance processes related to Employee market conduct in FX Trading;
- (c) Establish or further define the roles and responsibilities of business, compliance, and audit in ensuring appropriate monitoring and surveillance processes related to Employee market conduct in FX Trading;
- (d) Incorporate the Bank's FX compliance risk assessment to identify present and emerging risks related to Employee market conduct in FX Trading;
- (e) Develop or enhance lexicon-based search policies based on the Bank's FX Trading policies and procedures and implement a monitoring and surveillance program reasonably designed to identify Employee market conduct in FX Trading in violation of the Bank's policies;
- (f) Periodically review the transaction monitoring and surveillance processes, including the lexicon-based search policies, to account for new FX Trading market communication practices and language trends;
- (g) Ensure that current and new communication channels related to Employee market conduct in FX Trading are identified, reviewed, and incorporated into the Bank's monitoring and surveillance processes on an ongoing basis;

- (h) Require that Employee market conduct issues in FX Trading transactions or communications identified by monitoring and surveillance programs are sufficiently reviewed, documented, escalated, and investigated where appropriate; and
- (i) Require monitoring and surveillance of Employee market conduct in FX Trading to be performed by personnel with sufficient expertise and experience to identify significant issues.

(3) Upon receipt of a determination of no supervisory objection to the Monitoring and Surveillance Plan, the Board shall ensure that the Bank implements and adheres to the Monitoring and Surveillance Plan. Any proposed material changes to or deviations from the approved Monitoring and Surveillance Plan shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

ARTICLE VII

COMPLIANCE TESTING

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit an acceptable written plan to provide for appropriate compliance testing related to Employee market conduct in FX Trading (“Compliance Testing Plan”).

(2) The Compliance Testing Plan shall provide for compliance testing procedures around controls for the detection or prevention of Employee market misconduct in FX Trading and compliance with this Order, and shall at a minimum:

- (a) Incorporate the FX compliance risk assessment to address Employee market conduct-related risks in FX Trading;

- (b) Require identification and adequate testing coverage for material changes in Employee market conduct-related risks in FX Trading in a timely manner;
- (c) Require consistently and adequately documented support for this compliance testing process;
- (d) Require that all material concerns identified during this compliance testing process are adequately addressed in a timely manner;
- (e) Require that any corrective action is reasonably designed to address the underlying cause of identified material concerns;
- (f) Require appropriate evaluation of controls related to Employee market conduct in FX Trading;
- (g) Require that Employee market conduct issues in FX Trading identified by compliance testing are sufficiently reviewed, documented, escalated, and investigated where appropriate; and
- (h) Require compliance testing to be performed by personnel with sufficient expertise and experience to identify significant Employee market conduct issues.

(3) Upon receipt of a determination of no supervisory objection to the Compliance Testing Plan, the Board shall ensure that the Bank implements and adheres to the Compliance Testing Plan. Any proposed material changes to or deviations from the approved Compliance Testing Plan shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

ARTICLE VIII

INTERNAL AUDIT

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit an acceptable written plan for the internal audit program to adequately address Employee market conduct in FX Trading (“Internal Audit Plan”).

(2) The Internal Audit Plan shall provide standards for audit processes and require effective audit coverage consistent with or as necessary to comply with this Article, in addition to, current JPMorgan Internal Audit policies and procedures as they relate to (i) consistently and adequately documenting support for all aspects of the audit process, including, but not limited to, audit planning, selection of control testing, selection of samples, audit work reviews and conclusions, (ii) adequately addressing in a timely manner material concerns identified during the audit process, (iii) fully addressing the underlying cause of identified material concerns, and (iv) establishing appropriate and timely corrective actions based on the level of risk severity, in each case with respect to Employee market conduct in FX Trading and compliance with this Order, and shall at a minimum:

- (a) Develop an independent Internal Audit conduct-related risk assessment related to Employee market conduct in FX Trading that must challenge the Bank’s compliance control framework;
- (b) Require appropriate audit strategies and coverage based on this risk assessment to guide the approach, execution and escalation processes;
- (c) Evaluate the control environment for identification and escalation of significant compliance and Employee market conduct issues in FX Trading in a timely manner;

- (d) Evaluate the control environment for identification of material changes in Employee market conduct-related risks in FX Trading in a timely manner and ensure adequate audit coverage therein;
- (e) Provide for the active and consistent participation in Bank audits of personnel with sufficient expertise and experience to identify control related issues related to potential Employee market misconduct, including material variations in controls across FX Trading lines of business at the Bank, and material variations in controls from those at the Bank's holding company;
- (f) Develop a formal process for sharing, as appropriate, significant audit, regulatory and emerging issues related to Employee market conduct in FX Trading across the audit department;
- (g) Require consistently and adequately documented support for all aspects of the audit process related to Employee market conduct in FX Trading, including, but not limited to, audit planning, selection of control testing, selection of samples, audit work reviews and conclusions;
- (h) Require that all material concerns related to Employee market conduct in FX Trading identified during the audit process are adequately addressed in a timely manner;
- (i) Verify that any corrective action related to Employee market conduct in FX Trading fully addresses the underlying cause of identified material concerns;

- (j) Establish appropriate and timely corrective action for issues related to Employee market conduct in FX Trading based on the level of risk severity;
- (k) Require appropriate evaluation of controls related to Employee market conduct in FX Trading; and
- (l) Provide for appropriate management oversight of the Employee market conduct in FX Trading audit process consistent with independence requirements.

(3) The Bank shall ensure that corrective actions related to Employee market conduct in FX Trading are undertaken promptly to remedy deficiencies cited in audit reports and audit self-assessments, and that auditors maintain a written record describing those actions.

(4) Upon receipt of a determination of no supervisory objection to the Internal Audit Plan, the Board shall ensure that the Bank implements and adheres to the Internal Audit Plan. Any proposed material changes to or deviations from the approved Internal Audit Plan shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

ARTICLE IX

PROACTIVE APPLICATION OF REMEDIAL MEASURES

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit an acceptable written plan to ensure that the Bank proactively uses a risk-based approach to apply Employee market conduct remedial measures in this Order to other wholesale trading as principal for the Bank and benchmark activities (“Other Trading

Activities”) as appropriate and defined in the Bank’s written plan (“Proactive Application of Remedial Measures Plan”).

(2) The Proactive Application of Remedial Measures Plan shall establish processes and procedures consistent with the key tenets of articles in this Consent Order to identify and address similar risks and control deficiencies in Other Trading Activities, and shall at a minimum:

- (a) Require a review to identify Other Trading Activities that could raise similar market conduct issues related to sales, trading, and supervisory employees in that business;
- (b) Require oversight and governance related to market conduct for such activities by sales, trading, and supervisory employees in that business;
- (c) Require compliance risk assessment plans related to market conduct by sales, trading, and supervisory employees in that business;
- (d) Require programs for monitoring and surveillance of market conduct by sales, trading, and supervisory employees in that business;
- (e) Require compliance testing related to market conduct by sales, trading, and supervisory employees in that business; and
- (f) Require internal audit coverage related to market conduct by sales, trading, and supervisory employees in that business.

(3) Upon receipt of a determination of no supervisory objection to the Proactive Application of Remedial Measures Plan, the Board shall ensure that the Bank implements and adheres to the Proactive Application of Remedial Measures Plan. Any proposed material changes to or deviations from the approved Proactive Application of Remedial Measures Plan

shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

ARTICLE X

APPROVAL, IMPLEMENTATION AND REPORTS

(1) The Bank shall submit the written plans required by this Order for review and determination of no supervisory objection to the Deputy Comptroller or the Examiner-in-Charge within the applicable time periods set forth in Articles IV through IX. The Board shall approve the plans and require that the Bank submit the plans to the Deputy Comptroller or Examiner-in-Charge for prior written determination of no supervisory objection. In the event the Deputy Comptroller or Examiner-in-Charge asks the Bank to revise the plans, the Bank shall promptly make necessary and appropriate revisions and resubmit the materials to the Deputy Comptroller or Examiner-in-Charge for review and determination of no supervisory objection. Upon receiving written notice of no supervisory objection from the Deputy Comptroller or Examiner-in-Charge, the Board shall ensure that the Bank implements and thereafter adheres to the plans referenced herein.

(2) During the term of this Order, the required plans shall not be amended or rescinded in any material respect without a prior written determination of no supervisory objection from the Deputy Comptroller or Examiner-in-Charge.

(3) During the term of this Order, the Bank shall revise the required plans as necessary to incorporate new, or changes to, applicable legal requirements and supervisory guidelines.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plans required by this Order.

(5) Within the time period specified in Paragraph (3) of Article II, the Bank, acting through the Compliance Committee and the Board as contemplated by Paragraph (3) of Article II, shall submit to the OCC a written progress report detailing the form and manner of all actions taken to secure compliance with the provisions of this Order and the results thereof. The progress report shall include information sufficient to validate compliance with this Order. The OCC may, in writing, discontinue the requirement for progress reports or modify the reporting schedule.

(6) All communication regarding this Order shall be sent to:

Morris R. Morgan
Deputy Comptroller
Large Bank Supervision
Office of the Comptroller of the Currency
400 7th Street, SW
Washington, DC 20219

and

Maryann H. Kennedy
Examiner-in-Charge
National Bank Examiners
1166 Avenue of the Americas, 21st Floor
New York, NY 10036

or such other individuals or addresses as directed by the OCC.

ARTICLE XI

OTHER PROVISIONS

(1) Although this Order requires the Bank to submit certain plans for the review or prior written determination of no supervisory objection by the Deputy Comptroller or the

Examiner-in-Charge, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) This Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the unsafe or unsound practices described in the Comptroller's Findings set forth in Article I of this Order related to FX Trading. The OCC releases and discharges the Bank and its subsidiaries from all potential liability for a cease and desist order that has been or might have been asserted by the OCC based on the practices described in the Comptroller's Findings related to FX Trading set forth in Article I of this Order, to the extent known to the Comptroller as of the effective date of the Order. Provided, however, that (i) except as otherwise specified in this paragraph, nothing in the Stipulation or this Consent Order shall prevent the Comptroller from instituting other enforcement actions against the Bank and its subsidiaries or any of its institution-affiliated parties based on the findings set forth in this Order, or any other findings, and (ii) nothing in the Stipulation or this Order shall preclude or affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of the Stipulation or this Order.

(4) This Order is and shall become effective upon its execution by the Comptroller, through his authorized representative whose hand appears below. The Order shall remain effective and enforceable, except to the extent that, and until such time as, any provision of this

Order shall be amended, suspended, waived, or terminated in writing by the Comptroller or his authorized representative.

(5) Any time limitations imposed by this Order shall begin to run from the effective date of this Order, as shown below, unless the Order specifies otherwise. The time limitations may be extended in writing by the Deputy Comptroller for good cause upon written application by the Board. Any request to extend any time limitation shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with the time limitation, and shall be accompanied by relevant supporting documentation. The Deputy Comptroller's decision regarding the request is final and not subject to further review.

(6) The terms and provisions of this Order apply to the Bank and its subsidiaries, even though those subsidiaries are not named as parties to this Order. The Bank shall integrate any activities done by a subsidiary into its plans, policies, programs and processes required by this Order. The Bank shall ensure that its subsidiaries comply with all terms and provisions of this Order.

(7) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding the Comptroller or the United States. Without limiting the foregoing, nothing in this Order shall prevent any action against the Bank or its institution-affiliated parties by a bank regulatory agency, the United States Department of Justice, or any other law enforcement agency.

(8) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 11th day of November, 2014.

/s/

Morris R. Morgan
Deputy Comptroller
Large Bank Supervision

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:

JPMorgan Chase Bank, N.A.
Columbus, Ohio

)
)
) AA-EC-14-100
)
)
)
)

**STIPULATION AND CONSENT TO THE ISSUANCE
OF A CONSENT ORDER**

WHEREAS, JPMorgan Chase Bank, N.A., Columbus, Ohio (“Bank”) engages in foreign exchange business (including G10 and other currencies, sales and trading in spot, forwards, options, or other derivatives) and the Comptroller of the Currency of the United States of America (“Comptroller”) has identified certain deficiencies and unsafe or unsound practices related to the Bank’s wholesale foreign exchange business where it is acting as principal (“FX Trading”). The Comptroller, based upon information derived from the exercise of his regulatory and supervisory responsibilities, intends to issue a cease and desist order against the Bank, pursuant to 12 U.S.C. § 1818(b), for these deficiencies and unsafe or unsound banking practices.

WHEREAS, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, through its duly elected and acting Board of Directors (collectively referred to as the “Board”), has agreed to execute this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation”), that is accepted by the Comptroller, through his duly authorized representative;

NOW, THEREFORE, in consideration of the above premises, it is stipulated by the Bank that:

ARTICLE I

JURISDICTION

- (1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*
- (2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).
- (3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(b)(1).

ARTICLE II

CONSENT

- (1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the accompanying Consent Order by the Comptroller.
- (2) The terms and provisions of the Consent Order apply to JPMorgan Chase Bank, N.A., Columbus, Ohio and all its subsidiaries, even though those subsidiaries are not named as parties to the Consent Order.
- (3) The Bank consents and agrees that the Consent Order shall be deemed an “order issued with the consent of the depository institution” pursuant to 12 U.S.C. § 1818(h)(2), will become effective upon its execution by the Comptroller through his authorized representative, and will be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(b).
- (4) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(b), and not as

a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(5) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to consent to the issuance of the Consent Order and/or execute this Stipulation.

(6) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(7) The Consent Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the unsafe or unsound practices described in the Comptroller's Findings set forth in Article I of the Consent Order related to FX Trading. The OCC releases and discharges the Bank and its subsidiaries from all potential liability for a cease and desist order that has been or might have been asserted by the OCC based on the practices described in the Comptroller's Findings related to FX Trading set forth in Article I of the Consent Order, to the extent known to the Comptroller as of the effective date of the Consent Order. Provided, however, that (i) except as otherwise specified in this paragraph, nothing in this Stipulation or the Consent Order shall prevent the Comptroller from instituting other enforcement actions against the Bank and its subsidiaries or any of its institution-affiliated parties based on the findings set forth in this Order, or any other findings, and (ii) nothing in this Stipulation or the Consent Order shall preclude or affect any right of the Comptroller to

determine and ensure compliance with the terms and provisions of this Stipulation or the Consent Order.

ARTICLE III

WAIVERS

- (1) The Bank, by executing this Stipulation and consenting to the Consent Order, waives:
- (a) Any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
 - (b) Any and all procedural rights available in connection with the issuance of the Consent Order;
 - (c) Any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (h), and 12 C.F.R. Part 19;
 - (d) Any and all rights to seek any type of administrative or judicial review of the Consent Order;
 - (e) Any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412;
 - (f) Any and all rights to assert this proceeding, this Stipulation, consent to the issuance of the Consent Order, and/or the issuance of the Consent Order, as the basis for a claim of double jeopardy in any pending or future

proceeding brought by the United States Department of Justice or any other governmental entity; and

- (g) Any and all rights to challenge or contest the validity of the Consent Order.

ARTICLE IV

ELIGIBLE BANK – OTHER PROVISIONS

- (1) As a result of the Consent Order:
 - (a) The Bank is an “eligible bank” pursuant to 12 C.F.R. § 5.3(g)(4) for the purposes of 12 C.F.R. Part 5 regarding rules, policies and procedures for corporate activities, unless otherwise informed in writing by the Office of the Comptroller of the Currency (“OCC”);
 - (b) The Bank is not subject to the limitation of 12 C.F.R. § 5.51(c)(6)(ii) for the purposes of 12 C.F.R. § 5.51 requiring OCC approval of a change in directors and senior executive officers, unless otherwise informed in writing by the OCC;
 - (c) The Bank is not subject to the limitation on golden parachute and indemnification payments provided by 12 C.F.R. § 359.1(f)(1)(ii)(C) and 12 C.F.R. § 5.51(c)(6)(ii), unless otherwise informed in writing by the OCC;
 - (d) The Bank’s status as an “eligible bank” remains unchanged pursuant to 12 C.F.R. § 24.2(e)(4) for the purposes of 12 C.F.R. Part 24 regarding community and economic development, unless otherwise informed in writing by the OCC; and

- (e) The Consent Order shall not be construed to be a “written agreement, order, or capital directive” within the meaning of 12 C.F.R. § 6.4, unless the OCC informs the Bank otherwise in writing.

ARTICLE V

CLOSING

(1) The provisions of this Stipulation and the Consent Order shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

(2) Nothing in this Stipulation or the Consent Order shall preclude any proceedings brought by the Comptroller to enforce the terms of the Consent Order, and nothing in this Stipulation or the Consent Order constitutes, nor shall the Bank contend that it constitutes, a release, discharge, compromise, settlement, dismissal or resolution of any actions, or in any way affects any actions, that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(3) The terms of this Stipulation, including this paragraph, and of the Consent Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of JPMorgan Chase Bank, N.A., Columbus, Ohio, have hereunto set their hands on behalf of the Bank.

/s/
James S. Crown

11/11/14
Date

/s/
Laban P. Jackson, Jr.

11/11/14
Date

/s/
Marianne Lake

11/11/14
Date

/s/
William C. Weldon

11/11/14
Date

/s/
Matthew E. Zames

11/11/14
Date

Accepted by:

THE COMPTROLLER OF THE CURRENCY

By: /s/
Morris R. Morgan
Deputy Comptroller
Large Bank Supervision

11/11/14
Date

OCC Money Penalty Order

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:

JPMorgan Chase Bank, N.A.
Columbus, Ohio

)
)
)
) AA-EC-14-100
)
)

CONSENT ORDER FOR A CIVIL MONEY PENALTY

The Comptroller of the Currency of the United States of America (“Comptroller”), through his national bank examiners and other staff of the Office of the Comptroller of the Currency (“OCC”), has conducted a targeted examination of JPMorgan Chase Bank, N.A., Columbus, Ohio (“Bank”). The Bank engages in foreign exchange business (including G10 and other currencies, sales and trading in spot, forwards, options, or other derivatives) and the OCC has identified certain deficiencies and unsafe or unsound practices related to the Bank’s wholesale foreign exchange business where it is acting as principal (“FX Trading”). The OCC has informed the Bank of the findings resulting from the examination.

The Bank, by and through its duly elected and acting Board of Directors, has executed a Stipulation and Consent to the Issuance of an Order for a Civil Money Penalty, dated November 11, 2014, that is accepted by the Comptroller (“Stipulation”). By this Stipulation, which is incorporated herein by reference, the Bank has consented to the issuance of this Consent Order for a Civil Money Penalty (“Order”) by the Comptroller. The Bank has committed to taking necessary and appropriate steps to remedy the deficiencies and unsafe or unsound practices identified by the OCC and has begun implementing procedures to remediate the practices addressed in this Order.

ARTICLE I

COMPTROLLER'S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) The foreign exchange ("FX") market is one of the largest and most liquid markets in the world. The FX market enables participants to buy, sell, exchange, hedge and speculate on currencies. The spot FX market is decentralized and lacks a comprehensive set of rules and regulations governing market activities and conduct. The Bank for International Settlements estimates that the daily average volume turnover of the global FX market was over five trillion dollars in April 2013 with spot transactions making up over two trillion in turnover every day.

(2) The G10 spot FX market includes transactions between two parties to exchange currencies with settlement on a spot date (generally within two business days). G10 currencies include the U.S. dollar, euro, British pound, Japanese yen, Swedish krona, Norwegian krone, Australian dollar, New Zealand dollar, Swiss franc, and the Canadian dollar. The Bank for International Settlements estimates that daily average turnover in G10 currency pairs accounts for approximately seventy five percent (75%) of total FX turnover.

(3) WM/Reuters ("WM/R") publishes a series of hourly intraday spot rates ("benchmarks" or "fixes") for certain currency pairs, including a "closing" rate at end of the trading day in London at 4:00 p.m. London Time. For certain currency pairs, WM/R calculates the published rate using the trading activity on a particular electronic trading platform during a one minute window ("fixing window") thirty seconds before and thirty seconds after the end of each hour.

(4) The European Central Bank ("ECB") also establishes reference rates for various currency pairs generally at 2:15 p.m. Central European Time.

(5) Rates established at these fixes are used by global financial market participants to execute trades and by others such as corporations, asset managers, and pension funds to value their portfolios and transact at a published benchmark rate.

(6) The Bank was an active dealer in the G10 spot foreign exchange market during the period from 2008 through 2013 (“Relevant Period”).

(7) As a dealer in the spot FX market, the Bank provides liquidity in G10 currencies by acting as a principal market maker, trading with other dealers and customers on behalf of the Bank, and to seek to earn a profit on the bid-ask spread.

(8) While much of spot FX is transacted on electronic trading platforms, the Bank has “voice” traders who interact with the Bank’s FX sales personnel, or in some cases, the customer directly, to execute the customer’s order as a principal by transacting in the market or dealing from the Bank’s inventory.

(9) The Bank agrees to transact with customers through various types of orders, including in relevant part:

- (a) Market orders, to buy or sell at the best available market price;
- (b) Limit orders, including stop loss orders and take profit orders, in which the Bank agrees to buy or sell to the customer upon the currency pair reaching a specified rate; and
- (c) Fix orders, in which the Bank agrees that it will buy or sell to the customer at a specified forthcoming fix rate. The Bank may seek to manage risk associated with forthcoming fix orders by transacting prior to the fixing window in an amount sufficient to cover the Bank’s net fix orders.

(10) The Bank's FX traders encountered potential conflicts of interest between trading to maximize the Bank's profit or the trader's profit, or both, and providing fair execution to the Bank's customers.

(11) Use of electronic messaging platforms was common among traders throughout the industry. During the Relevant Period, the Bank's FX spot traders participated in multibank chatrooms on instant messaging platforms, until it prohibited such communications in December 2013.

(12) While participating in multibank chatrooms, some of the Bank's G10 spot FX traders discussed engaging in potential misconduct with traders from other banks or market participants, including:

- (a) Discussions of coordinating trading strategies among the Bank's traders and traders at other banks to attempt to manipulate the WM/R spot FX benchmark rates or ECB spot FX reference rates to the benefit of the trader or the bank or both and to the potential detriment to some of the Bank's customers;
- (b) Discussions of trading, either alone or collusively, to trigger customers' limit orders, such as stop loss or take profit orders, or customers' barrier options for the trader or Bank's benefit and to the potential detriment of such customers;
- (c) Discussions of trading in advance of pending customers' orders for the trader or Bank's benefit and to the potential detriment of such customers;
- (d) Discussions about agreements not to trade in a particular currency pair while other traders were doing so; and

- (e) Disclosure of confidential Bank information, including the disclosure of information regarding customer order flows and proprietary Bank information, such as FX rate spreads.

(13) These communications occurred during the Relevant Period and went undetected by the Bank for several years.

(14) The OCC engaged in a joint, targeted examination of the Bank and its foreign exchange business with the Federal Reserve Bank of New York. The OCC's examination findings established that the Bank had deficiencies in its internal controls and had engaged in unsafe or unsound banking practices with respect to the oversight and governance of the Bank's FX trading business such that the Bank failed to detect and prevent the conduct set forth in paragraph twelve (12). The deficiencies and unsafe or unsound practices include the following:

- (a) The Bank's oversight and governance of its FX trading business were weak and lacked adequate formal guidance to mitigate and manage risks related to sales, trading and supervisory employee ("Employee") market conduct in FX Trading;
- (b) The Bank's compliance risk assessment lacked sufficient granularity and failed to identify the risks related to Employee market conduct in FX Trading;
- (c) The Bank's transaction monitoring and communications surveillance were inadequate to detect potential Employee market misconduct in FX Trading;

- (d) The Bank's compliance testing procedures were inadequate to measure adherence to the Bank's standards of Employee conduct and firm policies applicable to Employee market conduct in FX Trading; and
- (e) Internal audit's risk assessment and coverage of the FX trading business needed improvement to assess whether the Bank's control framework was effective in identifying and mitigating compliance risks related to Employee market conduct.

(15) The OCC previously criticized the Bank's documentation and recordkeeping support, management review, post-submission monitoring, communications monitoring and audit coverage, and requested the Bank to perform a gap analysis of the Bank's submissions in the LIBOR (London interbank offered rate) benchmark rate setting process.

(16) The Bank has committed to, and has already begun, taking necessary and appropriate steps to remedy the deficiencies and unsafe or unsound practices identified by the OCC.

ARTICLE II

ORDER FOR A CIVIL MONEY PENALTY

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i), the Comptroller orders, and the Bank consents to the following:

(1) The Bank shall make payment of a civil money penalty in the total amount of three hundred fifty million dollars (\$350,000,000), which shall be received by the OCC within five (5) business days of the execution of this Order:

- (a) If a check is the selected method of payment, the check shall be made payable to the Treasurer of the United States and shall be delivered to:

Comptroller of the Currency, P.O. Box 979012, St. Louis, Missouri
63197-9000.

- (b) If a wire transfer is the selected method of payment, it shall be sent in accordance with instructions provided by the Comptroller.
- (c) The docket number of this case (AA-EC-14-100) shall be entered on the payment document or wire confirmation and a photocopy of the payment document or confirmation of the wire transfer shall be sent immediately, by overnight delivery, to the Director of Enforcement and Compliance, Office of the Comptroller of the Currency, 400 7th Street, S.W., Washington, D.C. 20219.

(2) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. § 1818(h) and (i).

ARTICLE III

OTHER PROVISIONS

(1) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(i)(2), and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(2) This Order constitutes a settlement of the civil money penalty proceedings against the Bank contemplated by the Comptroller, based on the unsafe or unsound practices described in the Comptroller's Findings set forth in Article I of this Order related to G10 spot FX Trading. The OCC releases and discharges the Bank and its subsidiaries from all potential liability for a civil money penalty that has been or might have been asserted by the OCC based on the practices

described in the Comptroller's Findings related to G10 spot FX Trading set forth in Article I of this Order, to the extent known to the Comptroller as of the effective date of the Order.

Provided, however, that (i) except as otherwise specified in this paragraph, nothing in the Stipulation or this Consent Order shall prevent the Comptroller from instituting other enforcement actions against the Bank and its subsidiaries or any of its institution-affiliated parties based on the findings set forth in this Order, or any other findings, and (ii) nothing in the Stipulation or this Order shall preclude or affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of the Stipulation or this Order.

(3) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 11th day of November 2014.

/s/

Morris R. Morgan
Deputy Comptroller
Large Bank Supervision

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
COMPTROLLER OF THE CURRENCY**

In the Matter of:

JPMorgan Chase Bank, N.A.
Columbus, Ohio

)
)
) AA-EC-14-100
)
)
)

**STIPULATION AND CONSENT TO THE ISSUANCE
OF AN ORDER FOR A CIVIL MONEY PENALTY**

WHEREAS, JPMorgan Chase Bank, N.A., Columbus, Ohio (“Bank”) engages in foreign exchange business (including G10 and other currencies, sales and trading in spot, forwards, options, or other derivatives) and the Comptroller of the Currency of the United States of America (“Comptroller”) has identified certain deficiencies and unsafe or unsound practices related to the Bank’s wholesale foreign exchange business where it is acting as principal (“FX Trading”). The Comptroller, based upon information derived from the exercise of his regulatory and supervisory responsibilities, intends to initiate a civil money penalty proceeding against the Bank, pursuant to 12 U.S.C. § 1818(i), for these deficiencies and unsafe or unsound banking practices.

WHEREAS, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, through its duly elected and acting Board of Directors (collectively referred to as the “Board”), has agreed to execute this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation”), that is accepted by the Comptroller, through his duly authorized representative;

NOW, THEREFORE, in consideration of the above premises, it is stipulated by the Bank that:

ARTICLE I

JURISDICTION

- (1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*
- (2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(i).
- (3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(i).

ARTICLE II

CONSENT

- (1) The Bank, without admitting or denying wrongdoing, consents and agrees to issuance of the accompanying Consent Order by the Comptroller.
- (2) The terms and provisions of the Consent Order apply to JPMorgan Chase Bank, N.A., Columbus, Ohio and all its subsidiaries, even though those subsidiaries are not named as parties to the Consent Order.
- (3) The Bank consents and agrees that the Consent Order shall be deemed an “order issued with the consent of the depository institution” pursuant to 12 U.S.C. § 1818(h)(2), will become effective upon its execution by the Comptroller through his authorized representative, and will be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(i).
- (4) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein

undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(5) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to consent to the issuance of the Consent Order and/or execute this Stipulation.

(6) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(7) The Consent Order constitutes a settlement of the civil money penalty proceeding against the Bank contemplated by the Comptroller, based on the unsafe or unsound practices described in the Comptroller's Findings set forth in Article I of the Consent Order related to G10 spot FX Trading. The OCC releases and discharges the Bank and its subsidiaries from all potential liability for a civil money penalty that has been or might have been asserted by the OCC based on the practices described in the Comptroller's Findings related to G10 spot FX Trading set forth in Article I of the Consent Order, to the extent known to the Comptroller as of the effective date of the Consent Order. Provided, however, that (i) except as otherwise specified in this paragraph, nothing in this Stipulation or the Consent Order shall prevent the Comptroller from instituting other enforcement actions against the Bank and its subsidiaries or any of its institution-affiliated parties based on the findings set forth in this Order, or any other findings, and (ii) nothing in this Stipulation or the Consent Order shall preclude or affect any right of the

Comptroller to determine and ensure compliance with the terms and provisions of this Stipulation or the Consent Order.

ARTICLE III

WAIVERS

- (1) The Bank, by executing this Stipulation and consenting to the Consent Order, waives:
- (a) Any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(i);
 - (b) Any and all procedural rights available in connection with the issuance of the Consent Order;
 - (c) Any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(i) and (h), and 12 C.F.R. Part 19;
 - (d) Any and all rights to seek any type of administrative or judicial review of the Consent Order;
 - (e) Any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412;
 - (f) Any and all rights to assert this proceeding, this Stipulation, consent to the issuance of the Consent Order, and/or the issuance of the Consent Order, as the basis for a claim of double jeopardy in any pending or future

proceeding brought by the United States Department of Justice or any other governmental entity; and

- (g) Any and all rights to challenge or contest the validity of the Consent Order.

ARTICLE IV

CLOSING

(1) The provisions of this Stipulation and the Consent Order shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

(2) Nothing in this Stipulation or the Consent Order shall preclude any proceedings brought by the Comptroller to enforce the terms of the Consent Order, and nothing in this Stipulation or the Consent Order constitutes, nor shall the Bank contend that it constitutes, a release, discharge, compromise, settlement, dismissal or resolution of any actions, or in any way affects any actions, that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(3) The terms of this Stipulation, including this paragraph, and of the Consent Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of JPMorgan Chase Bank, N.A., Columbus, Ohio, have hereunto set their hands on behalf of the Bank.

/s/
James S. Crown

11/11/14
Date

/s/
Laban P. Jackson, Jr.

11/11/14
Date

/s/
Marianne Lake

11/11/14
Date

/s/
William C. Weldon

11/11/14
Date

/s/
Matthew E. Zames

11/11/14
Date

Accepted by:

THE COMPTROLLER OF THE CURRENCY

By: /s/
Morris R. Morgan
Deputy Comptroller
Large Bank Supervision

11/11/14
Date