

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

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<b>In the Matter of:</b>	)	
	)	AA-EC-11-57
JPMorgan Chase Bank, N.A.	)	
Columbus, Ohio	)	

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**CONSENT ORDER FOR A CIVIL MONEY PENALTY**

The Comptroller of the Currency of the United States of America (“Comptroller” or “OCC”), through his national bank examiners and other staff of the Office of the Comptroller of the Currency, has conducted an examination of JPMorgan Chase Bank, N.A., Columbus, Ohio (“Bank”), and has identified deficiencies in the Bank’s practices that resulted in violations of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1) related to the marketing and sale of a credit protection product during January 2008 through May 2009 by Chase Auto Finance (“Chase Auto”), a division of the Bank. The OCC’s findings have been made known to the Bank.

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 for a Civil Money Penalty,” dated June 14, 2011 (“Stipulation”), that is accepted by the Comptroller. By this Stipulation, which is incorporated by reference, the Bank, without admitting or denying any wrongdoing, has consented to the issuance of this Consent Order for a Civil Money Penalty (“Order”) by the Comptroller.

ARTICLE I

COMPTROLLER’S FINDINGS

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

(1) During January 2008 through May 2009, the Bank offered debt cancellation contracts and debt suspension agreements (collectively "credit protection products") to its customers, which consisted of an agreement by the Bank to suspend or cancel all or part of the customer's obligation to repay an outstanding account balance upon the occurrence of a qualifying event, in exchange for a monthly fee. The Bank's credit protection products also imposed various eligibility requirements, provided various exclusions, and set forth a process for claiming benefits.

(2) Chase Auto and Chase Home Lending, divisions of the Bank, and Chase Bank USA, N.A., an affiliate of the Bank that provides credit card services ("Chase Card Services"), marketed and sold credit protection products. In Chase Auto, the product was known as Chase Payment Assurance ("CPA").

(3) During 2009, certain Chase Auto customer service representatives ("CSRs") utilized certain high-pressure sales tactics and made materially false, deceptive or otherwise misleading oral statements relating to the cost and coverage terms of the CPA product marketed and sold to Chase Auto customers.

(4) During January 2008 through May 2009, the Bank provided the CSRs certain written scripts and training materials with instructions to use statements in the materials as "rebuttals" in response to Chase Auto customers who declined or were not initially inclined to purchase CPA. Certain rebuttal statements were deceptive or otherwise materially misleading because they could lead a reasonable consumer to misapprehend what was being offered and could affect a reasonable consumer's decision to purchase CPA.

(5) In February 2010, the OCC notified the Bank that the foregoing conduct in Chase Auto constituted unfair or deceptive acts or practices in or affecting commerce in violation of

Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1).

(6) As a result of the violations in Chase Auto cited by the OCC, the Bank conducted a review of marketing and sale practices in Chase Auto and Chase Home Lending. Chase Card Services conducted a similar review. The Bank and its affiliate identified several deficient practices related to the marketing, sale, and payment processing of credit protection products in all three business lines.

(7) The Bank and its affiliate initiated and completed a plan to reimburse affected customers of Chase Auto, Chase Home Lending, and Chase Card Services, and took appropriate remedial actions to fully address and correct both the violations of law and other deficient practices. In addition, in 2009 the Bank ceased marketing CPA to Chase Auto customers and a similar credit protection product to Chase Home Lending customers.

(8) By reason of the foregoing conduct in Chase Auto, the Bank violated Section 5 of the Federal Trade Commission Act.

## 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 amount of two million dollars (\$2,000,000), which shall be paid upon 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 to the Comptroller's account # [REDACTED], ABA Routing # [REDACTED].
- (c) The docket number of this case (AA-EC-11-57) 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, 250 E 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) The provisions of this Order are effective upon issuance of this Order by the Comptroller, through his authorized representative whose hand appears below, and shall remain effective and enforceable against the Bank and its successors in interest, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the Comptroller.

(2) 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.

(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 14th day of June 2011.

/s/

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Sally G. Belshaw  
Deputy Comptroller for Large Bank Supervision  
Office of the Comptroller of the Currency

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

<b>In the Matter of:</b>	)	
	)	AA-EC-11-57
JPMorgan Chase Bank, N.A.	)	
Columbus, Ohio	)	

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

The Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate a civil money penalty proceeding against JPMorgan Chase Bank, N.A., Columbus, Ohio (“Bank”), pursuant to 12 U.S.C. § 1818(i) for violations of law relating to the sales and marketing of a credit protection product by the Bank.

The Bank, in the interest of compliance and cooperation, consents to the issuance of a Consent Order for a Civil Money Penalty, dated June 14, 2011 (“Order”);

In consideration of the above premises, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

**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).

(4) For the purposes of, and within the meaning of 12 C.F.R. §§ 5.3(g)(4), 5.51(c)(6), and 24.2(e)(4), this Consent Order shall not be construed to be a "consent order," unless the OCC informs the Bank otherwise.

## ARTICLE II

### CONSENT

(1) The Bank, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Order by the Comptroller.

(2) The Bank further agrees that said Order shall be deemed an "order issued with the consent of the depository institution" as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that said Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i). 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.

(3) The Bank also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the U.S. 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.

(4) The Bank agrees that the provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting

the Bank if, at any time, he/she deems it appropriate to do so to fulfill the responsibilities placed upon him/her by the several laws of the United States of America.

(5) The Bank agrees that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and that nothing herein constitutes, nor shall the Bank contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

### ARTICLE III

#### WAIVERS

- (1) The Bank, by signing this Stipulation and Consent, hereby waives:
  - (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
  - (b) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19;
  - (c) all rights to seek any type of administrative or judicial review of the Order;
  - (d) any and all rights to challenge or contest the validity of the Order; and
  - (e) any and all claims for fees, costs or expenses against the Comptroller, or any of its agents or employees, related in any way to this enforcement matter or this 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.



IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

/s/  
Sally G. Belshaw  
Deputy Comptroller for Large Bank Supervision

6/14/2011  
Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/  
James Dimon

6/09/2011  
Date

/s/  
Douglas Braunstein

6/09/2011  
Date

/s/  
Barry Zubrow

6/09/2011  
Date

/s/  
Frank Bisignano

6/09/2011  
Date

/s/  
Laban Jackson

6/09/2011  
Date

/s/  
James Crown

6/09/2011  
Date