

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**

**Release No. 9080 / November 4, 2009**

**SECURITIES EXCHANGE ACT of 1934**

**Release No. 60929 / November 4, 2009**

**ADMINISTRATIVE PROCEEDING**

**File No. 3-13673**

**In the Matter of**

**J.P. Morgan Securities Inc.,**

**Respondent.**

**ORDER UNDER SECTION 27A(b) OF THE  
SECURITIES ACT OF 1933 AND SECTION  
21E(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934, GRANTING WAIVERS OF  
THE DISQUALIFICATION PROVISIONS OF  
SECTION 27A(b)(1)(A)(ii) OF THE  
SECURITIES ACT OF 1933 AND SECTION  
21E(b)(1)(A)(ii) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

J.P. Morgan Securities Inc. has submitted a letter, dated October 27, 2009, requesting a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (“Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (“Exchange Act”) arising from J.P. Morgan Securities’ settlement of an administrative and cease-and-desist proceeding instituted by the Commission. On November 4, 2009, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, and Sections 15(b) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”) against J.P. Morgan Securities.

Under the Order, the Commission found that J.P. Morgan Securities, a registered broker-dealer, violated the antifraud provisions of the Securities Act by making undisclosed payments to local firms whose principals or employees were friends of Jefferson County, Alabama public officials in connection with \$5 billion in County bond underwriting and interest rate swap agreement business awarded to J.P. Morgan Securities. Without admitting or denying the findings in the Order, except as to the Commission’s jurisdiction over it and the subject matter of the proceedings, J.P. Morgan Securities consented to the Order. In the Order, the Commission ordered that J.P. Morgan Securities be censured, cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act,

Section 15B(c)(1) of the Securities Exchange Act of 1934, and Municipal Securities Rulemaking Board Rule G-17, and pay a \$25,000,000.00 civil penalty.

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward-looking statement that is “made with respect to the business or operations of the issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of a judicial or administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]” Section 27A(b)(1)(A)(ii) of the Securities Act; Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived “to the extent otherwise specifically provided by rule, regulation, or order of the Commission.” Section 27A(b) of the Securities Act; Section 21E(b) of the Exchange Act.

Based upon the representations set forth in J.P. Morgan Securities’ request, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the issuance of the Commission’s Order is appropriate and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act resulting from the Commission’s Order is hereby granted.

By the Commission.

Elizabeth M. Murphy  
Secretary