DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

January 8, 2013

Ms. Gail S. Ennis
Wilmer Cutler Pickering Hale and Dorr LLP
1875 Pennsylvania Avenue, NW
Washington, DC 20006

Re: In the Matter of Certain JP Morgan RMBS Offerings (HO-11542) and In the Matter of JPMorgan Chase & Co. (D-3185)
JPMorgan Chase & Co. – Waiver Request of Ineligible Issuer Status under Rule 405 of the Securities Act

Dear Ms. Ennis:

This is in response to your letter dated November 19, 2012, written on behalf of JPMorgan Chase & Co. (Company) and its subsidiaries, J.P. Morgan Securities LLC; EMC Mortgage, LLC; Bear Stearns Asset Backed Securities I, LLC; Structured Asset Mortgage Investments II, Inc.; SACO I, Inc.; and J.P. Morgan Acceptance Corporation I (Subsidiaries) and constituting an application for relief from the Company being considered an "ineligible issuer" under Rule 405(1)(vi) of the Securities Act of 1933 (Securities Act). On November 16, 2012, the Commission filed a civil injunctive complaint (Complaint), in the United States District Court for the District of Columbia, against the Subsidiaries. The complaint alleges that the Subsidiaries violated Sections 17(a)(2) and 17(a)(3) of the Securities Act. The Subsidiaries filed a consent in which they agreed, without admitting or denying the allegations of the Complaint, to the entry of a Final Judgment against them. Among other things, the Final Judgment, as entered on January 7, 2013, provides for a permanent injunction from committing future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act.

Based on the facts and representations in your letter, and assuming the Company and the Subsidiaries comply with the Final Judgment, the Commission, pursuant to delegated authority, has determined that the Company has made a showing of good cause under Rule 405(2) and that the Company will not be considered an ineligible issuer by reason of the entry of the Final Judgment. Accordingly, the relief described above from the Company being an ineligible issuer under Rule 405 of the Securities Act is hereby granted, and the effectiveness of such relief is as of the date of the entry of the Final Judgment. Any different facts from those represented or non-compliance with the Final Judgment might require us to reach a different conclusion.

Sincerely,

/s/

Lona Nallengara
Acting Director
Division of Corporation Finance

November 19, 2012

Gail S. Ennis

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BY E-MAIL AND FEDERAL EXPRESS

Lona Nallengara, Esq.
Deputy Director
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100 F Street, N.E.
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Re: *Securities and Exchange Commission v. J.P. Morgan Securities LLC; EMC Mortgage, LLC; Bear Stearns Asset Backed Securities I, LLC; Structured Asset Mortgage Investments II, Inc.; SACO I, Inc.; and J.P. Morgan Acceptance Corporation I, Civ. Action No. 1:12-cv-01862 (D.D.C. Nov. 16, 2012)*

Dear Mr. Nallengara:

This letter is submitted on behalf of our client, JPMorgan Chase & Co. ("JPMC"), in connection with the settlement of the above-captioned matter by the Securities and Exchange Commission (the "Commission") in the United States District Court for the District of Columbia (the "District Court") against JPMC's affiliates, J.P. Morgan Securities LLC; EMC Mortgage, LLC; Bear Stearns Asset Backed Securities I, LLC; Structured Asset Mortgage Investments II, Inc.; SACO I, Inc.; and J.P. Morgan Acceptance Corporation I (together the "Defendants"). The settlement is expected to result in the District Court's entry of a final injunctive order against the Defendants, as more fully described below (the "Final Judgment").

Pursuant to Rule 405 promulgated under the Securities Act of 1933 (the "Securities Act"), JPMC hereby requests that the Commission determine that for good cause shown it is not necessary under the circumstances that JPMC be considered an "ineligible issuer" under Rule 405. JPMC requests that this determination be effective upon the entry of the Final Judgment. The staff of the Division of Enforcement has informed us that it does not object to the granting of the requested waiver.

BACKGROUND

The Commission filed a complaint (the "Complaint") against the Defendants in the District Court, alleging that the Defendants violated Sections 17(a)(2) and (3) of the Securities Act of 1933 [15 U.S.C § 77q(a)(2), (3)] in connection with their alleged conduct related to certain offerings of residential mortgage-backed securities. The disclosures at issue in the Complaint relate to certain RMBS transactions and were made by certain affiliate entities, not JPMC itself. The alleged conduct in the Complaint does not relate in any way to activities

undertaken by JPMC in connection with its role as an issuer of securities (or any disclosure related thereto) or otherwise involve alleged fraud in connection with JPMC's offerings of its own securities. Moreover, JPMC has in place a robust and seasoned process for review and preparation of its disclosures and filings.

Simultaneous with the filing of the Complaint, the Defendants consented to the entry of the Final Judgment, neither admitting nor denying the allegations in the Complaint (other than those relating to the jurisdiction of the District Court over it and the subject matter of the action). The anticipated Final Judgment will permanently enjoin the Defendants from violating Sections 17(a)(2) and (3) of the Securities Act and will require that the Defendants pay disgorgement in the amount of $177,700,000, prejudgment interest in the amount of $38,865,536, and a civil monetary penalty of $84,350,000 pursuant to Section 20(d) of the Securities Act.

The settled action against the Defendants reflects extensive discussion and negotiation with the Commission's Division of Enforcement and ultimate approval by the Commission. The settlement terms were carefully crafted to meet and balance the competing concerns of all parties involved. JPMC's loss of its status as a well-known seasoned issuer in connection with the Final Judgment would be a significant adverse consequence of the action. As noted, the Division of Enforcement does not object to the request for this waiver.

DISCUSSION

In 2005, the Commission revised the registration, communications, and offering processes under the Securities Act.[1] As part of this offering reform, the Commission revised Securities Act Rule 405, creating a new category of issuer, the "well-known seasoned issuer," and a new category of offering communication, the "free writing prospectus." A well-known seasoned issuer is eligible for important reforms that have changed the way corporate finance transactions for larger issuers are planned and structured. These reforms include the ability to "file-and-go" (*i.e.*, eligibility for automatically effective shelf registration statements) and "pay-as-you-go" (*i.e.*, ability to pay filing fees as the issuer sells securities off the shelf). These reforms have removed the risk of regulatory delay in connection with capital formation. In addition, well-known seasoned issuers are provided with the most flexibility in terms of communications, including the ability to use free writing prospectuses in advance of filing a registration statement.

The Commission also created another category of issuer under Rule 405, the "ineligible issuer." An ineligible issuer is excluded from the category of "well-known seasoned issuer" and is ineligible to make communications by way of free writing prospectuses, except in limited circumstances.[2] As a result, an ineligible issuer that would otherwise be a well-known seasoned

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[1] *See* Securities Offering Reform, Securities Act Release No. 8591, Exchange Act Release No. 52,056, Investment Company Act Release No. 26,993, 70 Fed. Reg. 44,722, 44,790 (Aug. 3, 2005).

[2] *See* Securities Act Rules 164(e), 405 &433, 17 C.F.R. §§ 230. 164(e), 230.405 &230.433.

issuer does not have access to file-and-go or pay-as-you-go, and cannot use most free writing prospectuses.

Securities Act Rule 405 authorizes the Commission to determine, "upon a showing of good cause, that it is not necessary under the circumstances that the issuer be considered an ineligible issuer."[3] The Commission has delegated the function of granting or denying such applications to the Director of the Division of Corporation Finance.[4]

JPMC understands that the entry of the Final Judgment would make JPMC an ineligible issuer under Rule 405. If JPMC is not an ineligible issuer, it would continue to qualify as a well-known seasoned issuer, and, therefore, have access to "file-and-go" and other reforms available to well-known seasoned issuers, and would continue to be eligible to take advantage of all of the free writing prospectus reforms of Rules 164 and 433.

JPMC respectfully requests that the Commission determine that it is not necessary for JPMC to be considered an ineligible issuer. Under the Division of Corporation Finance's July 8, 2011 guidance on WKSI Waivers, in situations such as this, in which the violation does not involve allegations of scienter-based conduct and where the violation relates to issuer disclosures, the Division will consider three factors: (1) remedial steps taken by the issuer; (2) pervasiveness and timing of the misconduct; and (3) impact on the issuer if the waiver request is denied. Each of these factors weighs heavily in favor of granting a waiver under these circumstances:

1. The Defendants have taken steps to address the conduct alleged in the Complaint. The alleged conduct related to bulk settlements with originators of securitized loans primarily related to a heritage business (Bear Stearns) and has been discontinued. No such additional settlements have taken place in the past two years and no plans exist for any future such settlements. As to the conduct in connection with the delinquency disclosures in the WMC4 transaction, several facts mitigate any future possibility of violation. First, in February 2007, the disclosures in J.P. Morgan new issue private label RMBS offerings were modified, which clarified the method for calculating delinquencies. The alleged delinquency disclosure issue in the WMC4 transaction related primarily to the application of the Office of Thrift Supervision method ("OTS method") for calculating and reporting delinquencies as of the cut off date for the RMBS offering, including specifically the appropriate effective date of the data used for determining the delinquencies to be disclosed under the OTS method. As noted, in February 2007, the disclosures in J.P. Morgan new issue private label RMBS offerings were modified to specify the effective date of the data relied on for the delinquency disclosures. In addition, the Defendants have taken and will be taking actions reasonably designed to prevent any future violations of Sections 17(a)(2) and (3) in connection with the disclosure and offer and sale of residential mortgage-backed securities. For example, a

[3] Securities Act Rule 405, 17 C.F.R. § 230.405.

[4] 17 C.F.R. § 200.30-1(a)(10).

committee was established in 2007 to review, among others, certain offerings of residential mortgage-related securities. A component of the committee review is consideration of completeness of disclosure related to such transactions. In addition, in connection with the terms of the final judgment in *SEC v. J.P. Morgan Securities LLC (f/k/a J.P. Morgan Securities Inc.),* 11-CV-4206 (S.D.N.Y. 2011), a number of undertakings were completed to enhance processes related to offerings of specified residential mortgage-related securities including extending the committee review referenced above to all offerings of non-agency residential mortgage-related securities and training of personnel involved in structuring or marketing of mortgage-related securities offerings with respect to disclosure requirements of the federal securities laws. These undertakings also serve to prevent recurrence of the conduct alleged in the Complaint. Investors will be protected by these remedial activities taken by JPMC.

2. The limited scope and timing of the alleged conduct in the Complaint does not merit JPMC being considered an ineligible issuer. The alleged RMBS disclosure-related conduct in the Complaint was confined in scope to a limited number of transactions. The alleged conduct also spanned a short period of time and ended in 2007, approximately 5 years ago. Moreover, the nature of the alleged conduct was not pervasive within JPMC's subsidiaries and did not demonstrate a disregard for the law by JPMC or any members of JPMC management. With regard to the bulk settlements, although senior Bear Stearns management was involved in decisions relating to the bulk settlements, the relevant offerings occurred prior to JPMC's acquisition of Bear Stearns and none of those personnel currently occupy senior management positions in JPMC. In addition, the funds involved in the bulk settlements were not material to Bear Stearns' operations. On the delinquency disclosures in the WMC4 transaction, the personnel involved in discussions relating to these disclosures were a limited number of mid-level bankers and servicer personnel, and not senior JPMC management. These individuals have never had any responsibility for JPMC's issuer disclosure.

3. Being considered an ineligible issuer would impose a significant burden on JPMC. JPMC is a frequent issuer of registered securities that offers and sells securities under an automatic shelf registration in both debt and equity transactions. For JPMC, the automatic shelf registration process provides an important means of access to the capital markets, which are an essential source of funding for JPMC's global operations. If JPMC is precluded from taking advantage of many of the benefits set forth in Rules 405 and 163, it would hinder necessary access to the capital markets through significantly increased time, labor and cost of such access. If JPMC becomes an ineligible issuer as a result of the settlement and cannot rely on the benefits afforded to a well-known seasoned issuer, this result will not provide any additional benefits to investors. In addition, if JPMC were to lose its WKSI status, there is the potential that there would be harmful

effects for the shareholders of JPMC who would bear the additional costs associated with the lost status. The disqualification of JPMC as a well-known seasoned issuer would be unduly and disproportionately severe given the facts that the disclosure issues alleged in the Complaint relate to a limited period of time and a limited number of transactions.

In light of these considerations, we believe there is good cause to determine that JPMC should not be considered an ineligible issuer under Rule 405. We respectfully request the Commission to make that determination.

Please contact me at the above listed telephone number if you should have any questions regarding this request.

Sincerely,

Gail S. Ennis

Gail S. Ennis