

JPMorgan Chase Reaches Settlement With CFTC Regarding Extension of Credit to Lehman's Broker-Dealer

New York, April 4, 2012 - JPMorgan Chase & Co. (NYSE: JPM) announced today that it reached a settlement with the U.S. Commodity Futures Trading Commission (CFTC) to resolve the CFTC's investigation into JPMorgan Chase's extension of credit to Lehman Brothers Inc. (LBI) based in part on the misclassification of a customer-segregated account from November 2006 to September 2008, as well as the firm's delayed release of customer assets when requested by the court-appointed trustee during a 10-day period following the initiation of LBI's liquidation proceedings in September 2008.

The investigation focused on two accounts that contained assets belonging to LBI's customers and that were subject to CFTC segregation requirements. With respect to one of those accounts, JPMorgan mistakenly factored the balance in the account into a daily calculation of LBI assets to determine the amount of credit the firm was willing to extend to LBI. The size of this customer account was small relative to the overall relationship between JPMorgan and Lehman, as was any additional credit extended by JPMorgan to Lehman as a result of the account's inclusion in the calculation of credit that would be made available to Lehman. With respect to both accounts, JPMorgan did not release the assets in those accounts until 10 days after LBI's liquidation proceedings.

No customer funds were ever used to satisfy any LBI debt to JPMorgan, nor were any customer funds in these accounts lost. The CFTC does not claim that JPMorgan Chase intentionally violated the Commodity Exchange Act or CFTC regulations.

As part of the terms of the settlement, JPMorgan Chase will pay a sum of \$20 million to the CFTC.

The firm cooperated with the investigation and is pleased to have resolved this matter with the CFTC.

About J.P. Morgan

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of \$2.3 trillion and operations in more than 60 countries. The firm is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase & Co. serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients under its J.P. Morgan and Chase brands. Information about JPMorgan Chase & Co. is available at www.jpmorganchase.com.