

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

In the Matter of

TIMOTHY FLETCHER,

a former institution-affiliated party of
J.P. Morgan Securities (Asia Pacific) Limited,
Central, Hong Kong, China

A Non-Bank Subsidiary of a Registered Bank
Holding Company

Docket Nos. 17-007-E-I
17-007-CMP-I

Order of Prohibition Issued Upon
Consent Pursuant to Section 8(e) of
the Federal Deposit Insurance Act, as
Amended

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”), pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended (the “FDI Act”), 12 U.S.C. § 1818(e), issues this Order of Prohibition (this “Order”) upon the consent of Respondent Timothy Fletcher (“Fletcher”), a former employee and institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), of J.P. Morgan Securities (Asia Pacific) Limited (“JPMSAP”), a non-bank subsidiary of J.P. Morgan Chase & Co. (“JPMC” and together with JPMSAP, the “Firm”), a bank holding company, New York, New York;

WHEREAS, on March 10, 2017, the Board of Governors filed a Notice of Assessment of a Civil Money Penalty and Notice of Intent to Prohibit Pursuant to Section 8 of the FDI Act (the “Notice”), alleging:

(A) Fletcher, a former Managing Director and the head of the Junior Resources Management Group (“JRM”) within JPMSAP from at least 2008 until 2013 (the “Relevant Period”) engaged in unsafe and unsound practices, breaches of fiduciary duty, and violations of

law related to his involvement in the Firm's referral hiring program for the Asia-Pacific region investment bank, whereby candidates who were referred, directly or indirectly, by foreign government officials and existing or prospective commercial clients were offered internships, training, and other employment opportunities in order to obtain improper business advantages for the Firm;

(B) During the Relevant Period, the Firm's internal policies prohibited Firm employees from giving anything of value, including the offer of internships or training, to certain individuals, including relatives of public officials and relatives and associates of non-government corporate representatives, in order to obtain improper business advantages for the Firm;

(C) By reason of this misconduct the Firm suffered financial loss or other damage;
and

(D) Fletcher's misconduct demonstrated willful or continuing disregard for the safety and soundness of the Firm.

WHEREAS, on November 17, 2016, JPMSAP entered into a Non-Prosecution Agreement with the United States Department of Justice and the United States Attorney's Office for the Eastern District of New York relating to the Firm's referral hiring program for the Asia-Pacific region investment bank, pursuant to which JPMSAP agreed to pay a \$72 million penalty;

WHEREAS, on November 17, 2016, JPMC agreed to enter into a consent cease and desist order with the Securities and Exchange Commission ("SEC"), relating to the Firm's referral hiring program for the Asia-Pacific region investment bank, pursuant to which JPMC agreed to pay approximately \$105 million in disgorgement and \$25 million in prepayment interest; and

WHEREAS, by affixing his signature hereunder, Fletcher has consented to the issuance of this Order by the Board of Governors and has agreed to comply with each and every provision of this Order, and has waived any and all rights he might have pursuant to 12 U.S.C. § 1818, 12 C.F.R. Part 263, or otherwise: (a) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (b) to obtain judicial review of this Order or any provision hereof; and (c) to challenge or contest in any manner the basis, issuance, terms, validity, effectiveness, or enforceability of this Order or any provision hereof.

NOW THEREFORE, before the final adjudication of or finding on any issue of fact or law implied or set forth herein, and solely for the purpose of settling this matter without the necessity for further litigation or extended hearings:

IT IS HEREBY ORDERED:

1. Fletcher, without the prior written approval of the Board of Governors and, where necessary pursuant to section 8(e)(7)(B) of the FDI Act, 12 U.S.C. § 1818(e)(7)(B), another Federal financial institutions regulatory agency, is hereby and henceforth prohibited from:

- a. participating in any manner in the conduct of the affairs of any institution or agency specified in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A), including, but not limited to, any insured depository institution or any holding company of an insured depository institution, or any subsidiary of such holding company, or any foreign bank or company to which subsection (a) of 12 U.S.C. § 3106 applies and any subsidiary of such foreign bank or company;
- b. soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any

voting rights in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A);

- c. violating any voting agreement previously approved by any Federal banking agency; or
- d. voting for a director, or serving or acting as an institution-affiliated party, as defined in sections 3(u) and 8(b)(3) of the FDI Act, 12 U.S.C. §§ 1813(u) and 1818(b)(3), such as an officer, director or employee, in any institution described in section 8(e)(7)(A) of the FDI Act, 12 U.S.C. § 1818(e)(7)(A).

2. Fletcher shall 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, in connection with any pending or prospective enforcement action against other individuals who are or were institution-affiliated parties of the Firm.

3. All communications regarding this Order shall be addressed to:

- a. Richard M. Ashton, Esq.
Deputy General Counsel
Patrick M. Bryan, Esq.
Assistant General Counsel
Board of Governors of the Federal Reserve System
20th & C Streets, N.W.
Washington, DC 20551

- b. Timothy Fletcher

With a copy to:

Kelly Currie
Crowell & Moring LLP
590 Madison Avenue, 20th floor
New York, NY 10022-2524

4. Any violation of this Order shall separately subject Fletcher to appropriate civil or criminal penalties, or both, under sections 8(i) and (j) of the FDI Act, 12 U.S.C §§ 1818(i) and (j).

5. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any other Federal or state agency or department, from taking any other action affecting Fletcher; provided, however, that the Board of Governors shall not take any further action against Fletcher on any matters concerning or arising from the matters addressed by this Order based upon facts presently known by the Board of Governors. This release and discharge shall not preclude or affect (i) any right of the Board of Governors to determine and ensure compliance with this Order, or (ii) any proceedings brought by the Board of Governors to enforce the terms of this Order.

6. Each provision of this Order shall remain fully effective and enforceable until expressly stayed, modified, terminated, or suspended in writing by the Board of Governors.

By order of the Board of Governors of the Federal Reserve System, effective this 15th
day of February, 2019.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

/s/ Timothy Fletcher
Timothy Fletcher

By: /s/ Ann E. Misback
Ann E. Misback
Secretary of the Board