CONSENT ORDER

WHEREAS, JPMorgan Chase & Co., New York, New York (“JPMC”), a registered bank holding company, owns and controls JPMorgan Chase Bank, N.A., Columbus, Ohio; JPMorgan Bank and Trust Company, N.A., San Francisco, California; and Chase Bank USA, N.A., Newark, Delaware (collectively, the “Banks”); various Edge Act corporations organized under section 25A of the Federal Reserve Act (12 U.S.C. § 611 et seq.); and multiple other nonbank subsidiaries;

WHEREAS, JPMC is a large, complex organization that has a number of separate business lines and legal entities that must comply with a wide range of applicable laws, rules, regulations, and standards;

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”) is the appropriate federal banking agency supervisor of JPMC and the Edge Act corporations;

WHEREAS, JPMC has adopted a firmwide compliance risk management program designed to identify and manage compliance risks across the consolidated organization related to compliance with all applicable laws, rules, and regulations;
WHEREAS, JPMC’s firmwide compliance risk management program includes an anti-money laundering ("AML") program designed to identify and manage compliance risks related to the Bank Secrecy Act (the “BSA”) (31 U.S.C. § 5311 et seq.); the rules and regulations issued thereunder by the U.S. Department of Treasury (31 C.F.R. Chapter X); and the AML regulations issued by the appropriate federal supervisors for JPMC, each of its subsidiary banks, the Edge Act corporations, and other subsidiaries of JPMC (collectively, the “BSA/AML Requirements”);

WHEREAS, the Banks have consented to the issuance of a Consent Order by the Office of the Comptroller of the Currency (the “OCC”) designed to remedy deficiencies, which the Banks have neither admitted nor denied, in the Banks’ BSA/AML compliance programs;

WHEREAS, the OCC identified deficiencies in the Banks’ BSA/AML compliance programs, indicating that JPMC’s firmwide BSA/AML compliance program failed to ensure the Banks’ compliance with certain of the BSA/AML Requirements;

WHEREAS, JPMC and the Board of Governors have the common goals that JPMC, on a firmwide basis, operates in compliance with all applicable federal laws, rules, and regulations regarding the BSA/AML Requirements, and that JPMC continues to implement an effective firmwide compliance risk management program regarding the BSA/AML Requirements that is commensurate with JPMC’s compliance risk profile; and

WHEREAS, on January 14, 2013, the board of directors of JPMC, at a duly constituted meeting, adopted a resolution authorizing Stephen M. Cutler to enter into this Consent Order to Cease and Desist (the “Order”) on behalf of JPMC, and consenting to compliance with each and every provision of this Order by JPMC and its institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (the “FDI Act”) (12 U.S.C. §§
1813(u) and 1818(b)(3)), and waiving any and all rights that JPMC may have pursuant to section 8 of the FDI Act (12 U.S.C. § 1818), including, but not limited to: (i) the issuance of a notice of charges; (ii) a hearing for the purpose of taking evidence on any matters set forth in this Order; (iii) judicial review of this Order;
(iv) contesting the issuance of this Order by the Board of Governors; and (v) challenging or contesting, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of this Order or any provision hereof.

NOW, THEREFORE, it is hereby ordered by the Board of Governors that, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issues of fact or law herein, and without this Order constituting an admission by JPMC of any allegation made or implied by the Board of Governors in connection with this matter, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted or extended hearings or testimony, pursuant to sections 8(b)(1) and (3) of the FDI Act (12 U.S.C. §§1818(b)(1) and 1818(b)(3)), JPMC and its institution-affiliated parties shall cease and desist and take affirmative action as follows:

**Source of Strength**

1. The board of directors of JPMC shall take appropriate steps to fully utilize JPMC’s financial and managerial resources, pursuant to section 38A of the FDI Act (12 U.S.C. § 1831o-1) and section 225.4(a) of Regulation Y of the Board of Governors (12 C.F.R. § 225.4(a)), to serve as a source of strength to the Banks, including, but not limited to, taking steps to ensure that each of the Banks complies with the Consent Order issued by the OCC.
Board Oversight

2. Within 60 days of this Order, JPMC’s board of directors shall submit to the Federal Reserve Bank of New York (the “Reserve Bank”) an acceptable written plan to continue ongoing enhancements to the board’s oversight of JPMC’s firmwide compliance risk management program with regard to compliance with BSA/AML Requirements. The plan shall describe the actions that the board of directors will take to improve JPMC’s firmwide compliance risk management with regard to BSA/AML Requirements, including, but not limited to, measures to ensure that compliance risk is effectively managed across JPMC, including within and across business lines, support units, legal entities, and jurisdictions in which JPMC and its subsidiaries operate. The plan shall, at a minimum, address, consider, and include:

   (a) Funding for personnel, systems, and other resources as are needed to operate a compliance risk management program that is commensurate with the compliance risk profile of the organization and that fully addresses the organization’s compliance risks on a timely and effective basis;

   (b) policies to instill a proactive approach throughout the organization in identifying, communicating, and managing compliance risks and in the timely resolution of adverse examination findings; and

   (c) measures to ensure adherence to approved compliance policies, procedures, and standards.

Compliance Risk Management Program

3. Within 60 days of this Order, JPMC shall submit an acceptable written plan to the Reserve Bank to improve the firmwide compliance risk management program with regard to BSA/AML Requirements and the regulations issued by the Office of Foreign Assets Control of

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the United States Department of the Treasury ("OFAC") (31 C.F.R. Chapter V). The plan shall, at a minimum, address, consider, and include:

(a) The scope and frequency of compliance risk assessments;

(b) enhanced written policies, procedures, and compliance risk management standards;

(c) the duties and responsibilities of compliance personnel for each business line, program, and legal entity regarding BSA/AML and OFAC compliance functions, including the reporting lines within JPMC, and between JPMC and its business lines and legal entities;

(d) a process for periodically reevaluating staffing needs in relation to the organization’s compliance risk profile;

(e) measures to ensure compliance and improve accountability within all business lines and legal entities and their respective compliance functions;

(f) procedures for the periodic testing of the effectiveness of the compliance risk management program; and

(g) consistency with the Board of Governors’ guidance regarding Compliance Risk Management Programs and Oversight at Large Banking Organizations with Complex Compliance Profiles, dated October 16, 2008 (SR 08-8).

BSA/AML Compliance Program

4. Within 90 days of this Order, JPMC shall complete a review of the effectiveness of JPMC’s firmwide BSA/AML compliance program (the “BSA/AML Review”) and prepare a written report of findings and recommendations (the “BSA/AML Report”). The BSA/AML Review shall, at a minimum, address, consider, and include:
(a) The structure of JPMC’s firmwide BSA/AML compliance program, including reporting lines within JPMC and from each of JPMC’s business lines and legal entities to the chief BSA/AML compliance officer;

(b) clear lines of authority, responsibility, and independence from the business lines for BSA/AML compliance officers;

(c) standards for BSA/AML compliance that apply on a firmwide basis, including business lines and legal entities;

(d) communication of BSA/AML-related roles and responsibilities across the organization;

(e) processes for monitoring business line and legal entity compliance with JPMC’s BSA/AML policies and procedures and the BSA/AML Requirements;

(f) policies, procedures, and processes, including, but not limited to, those for:

   (i) identifying and investigating suspicious activity, and for filing suspicious activity reports;

   (ii) customer due diligence that consolidates information on the customer’s relationship within and with each bank, nonbank subsidiary, and business line;

(g) the scope and frequency of BSA/AML-related risk assessments;

(h) independent testing within the Banks and nonbank subsidiaries subject to a BSA/AML program requirement; and

(i) training.

5. Within 120 days of this Order, the board of directors of JPMC shall review the BSA/AML Report and shall submit an acceptable written plan to the Reserve Bank that includes a
description of the specific actions, including timelines for completion, that JPMC will take to strengthen JPMC’s firmwide BSA/AML compliance program, taking into account the requirements of the appropriate federal supervisor of the Banks and JPMC’s functionally regulated subsidiaries.

**Progress Reports**

6. Within 30 days after the end of each calendar quarter following the date of this Order, the board of directors or an authorized committee thereof shall submit to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with this Order, a timetable and schedule to implement specific remedial actions to be taken to address the recommendation in the Report, and the results thereof.

**Approval and Implementation of Plans**

7. (a) JPMC shall submit written plans that are acceptable to the Reserve Bank within the applicable time periods set forth in paragraphs 2, 3, and 5 of this Order.

   (b) Within 10 days of approval by the Reserve Bank, JPMC shall adopt the approved plans. Upon adoption, JPMC shall promptly implement the approved plans and thereafter fully comply with them.

   (c) During the term of this Order, the approved plans shall not be amended or rescinded without the prior written approval of the Reserve Bank.

**Communications**

8. All communications regarding this Order shall be sent to:

   (a) Dianne Dobbeck  
       Senior Vice President  
       Federal Reserve Bank of New York  
       33 Liberty Street  
       New York, New York 10045
Miscellaneous

9. Notwithstanding any provision of this Order to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to JPMC to comply with any provision of this Order.

10. The provisions of this Order shall be binding upon JPMC and its institution-affiliated parties, in their capacities as such, and their successors and assigns.

11. Each provision of this Order shall remain effective and enforceable until stayed, modified, terminated, or suspended in writing by the Reserve Bank.

12. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state agency from taking any other action affecting JPMC, the Banks, any nonbank subsidiary of JPMC, or any of their current or former institution-affiliated parties and their successors and assigns.

By Order of the Board of Governors effective this 14th day of January, 2013.

JPMORGAN CHASE & CO.                         BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

By: /s/ Stephen M. Cutler                     By: /s/ Robert deV. Frierson
    Stephen M. Cutler                         Robert deV. Frierson
    Executive V.P. and General Counsel        Secretary of the Board