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BY E-MAIL

Sebastian Gomez Abero, Esq.
Chief, Office of Small Business Policy
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: In the Matter of JPMorgan Chase Bank, N.A.

Dear Mr. Gomez Abero:

We are writing on behalf of JPMorgan Chase Bank, N.A. ("JPMCB"). JPMCB requests, pursuant to Rule 506(d)(2)(ii) of Regulation D promulgated under the Securities Act of 1933 ("Securities Act"), a waiver of any disqualification from relying on the exemption under Rule 506 of Regulation D that may arise as a result of the entry by the U.S. Commodity Futures Trading Commission (the "CFTC") of an administrative order against JPMCB (the "CFTC Order").

BACKGROUND

JPMCB has engaged in settlement discussions with the staff of the CFTC in connection with an investigation by the CFTC of a violation of Section 4o(1)(B) of the Commodity Exchange Act ("CEA"). As a result of these discussions, JPMCB has agreed to the entry of the CFTC Order.

The CFTC Order finds that JPMCB violated Section 4o(1)(B) of the CEA and Regulation 4.41 by failing to fully disclose certain conflicts of interest to clients of the wealth management business of J.P. Morgan Chase & Co.'s ("JPMC") U.S. Private Bank (the "U.S. Private Bank"). Specifically, the CFTC Order finds that JPMCB failed to fully disclose to certain clients with discretionary investment management accounts ("IM accounts") its preferences for investing the assets of IM accounts and certain private funds held in IM accounts (collectively, "Discretionary Portfolios") in certain commodity pools or exempt pools, namely (a) investment funds operated by JPMorgan Asset Management ("Proprietary Funds") and (b) third-party managed hedge funds that shared management and/or performance fees with an affiliate of JPMCB.

With regard to the preference for Proprietary Funds, the CFTC Order finds that JPMCB disclosed to IM account clients that it had a conflict of interest when it invested Discretionary Portfolio assets in Proprietary Funds (because such investments increased revenue to JPMCB affiliates). In addition, the CFTC Order finds that IM account clients were informed of which funds were included within the Discretionary Portfolios, as well as the amount of assets held in each fund by means of, for example, periodic account statements and client reviews. The CFTC Order also finds that prior to February 2011, JPMCB disclosed to IM account clients its preference for investing Discretionary Portfolio assets in certain Proprietary Funds, namely mutual funds, in what was entitled "JPMorgan general investment principles regarding the use of JPMorgan funds and external managers" (the "Investment Principles"). The Investment Principles were distributed to relevant clients through various means including the incorporation into the JPMorgan Fund Disclosure Statement ("FDS"), a document provided to new IM account clients and to certain clients with existing IM accounts through an annual mailing. However, in January 2011, JPMCB removed the Investment Principles (including the language stating "we prefer to use JPMorgan-affiliated managers") from the FDS while amending the FDS for reasons unrelated to the language concerning JPMCB's preference for Proprietary Funds. In addition, the CFTC Order finds that from at least 2008 through January 2014, JPMCB did not disclose to certain IM account clients its preference for investing relevant Discretionary Portfolio assets in certain other Proprietary Funds, namely hedge funds, operated by JPMorgan Asset Management.

With regard to the preference for third-party managed hedge funds that shared management and/or performance fees ("retrocessions"), the CFTC Order finds that JPMCB disclosed to its IM account clients that its affiliates may receive retrocessions in connection with investments in third-party hedge funds. However, JPMCB did not disclose to IM account clients its preference for retrocession-paying third-party hedge fund managers in certain Discretionary Portfolios until August 2015, when it added additional language to certain client documentation regarding the extent to which such funds are used in certain Discretionary Portfolios.

The CFTC Order requires JPMCB to comply with its undertaking to pay disgorgement of $60 million, which obligation can be satisfied by payment of the disgorgement to the U.S. Securities and Exchange Commission ("SEC" or the "Commission") by JPMCB and an affiliate in a related and concurrent settlement with the SEC.[1] The CFTC Order directs JPMCB to cease-and-desist from violating Section 4o(1)(B) of the CEA and Regulation 4.41. Additionally, JPMCB shall pay $40 million as a civil penalty to the CFTC.

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[1] The conduct of JPMCB at issue in the CFTC Order is essentially identical to the conduct of JPMCB at issue in the SEC order, where the SEC found that JPMCB violated Sections 17(a)(2) and 17(a)(3) of the Securities Act ("SEC Order"). The SEC Order also finds that J.P. Morgan Securities LLC ("JPMS") violated certain provisions of the Investment Advisers Act of 1940 in its role as adviser to certain discretionary accounts that are not within the scope of the CFTC Order. The SEC Order does not disqualify JPMCB and JPMS from relying on the exemption from registration provided by Rule 506 of Regulation D. The CFTC Order, which is limited only to JPMCB, is the sole impetus for the present waiver request.

DISCUSSION

JPMCB understands that the entry of the CFTC Order will disqualify it from relying on the exemption from registration provided by Rule 506 of Regulation D. JPMCB is concerned that, should it be deemed to be an issuer, predecessor of the issuer, affiliated issuer, general partner or managing member of the issuer, beneficial owner of 20 percent or more of an issuer's outstanding voting equity securities, promoter, investment manager of a pooled investment fund, compensated solicitor of purchasers, or to be acting in any other capacity described in Rule 506, JPMCB as well as the other issuers with which JPMCB is associated in one of the above-listed capacities and which rely upon or may rely upon this offering exemption when issuing securities would be prohibited from doing so.

The Commission has the authority to waive the Rule 506 exemption disqualification upon a showing of good cause that such disqualification is not necessary under the circumstances. *See* 17 C.F.R. § 230.506(d)(2)(ii).

For the reasons described below, JPMCB respectfully requests that the Commission waive any disqualifying effects that the CFTC Order may have under Rule 506.

1. Nature and Duration of the Violation

The CFTC Order does not find that any clients of JPMCB were financially harmed by the disclosure inadequacies. The conduct described in the CFTC Order relates to the scope of disclosures provided to U.S. Private Bank clients with Discretionary Portfolios regarding potential conflicts of interest arising from JPMCB's selection of certain investment funds that are commodity pools or exempt pools for Discretionary Portfolios in the United States.[2]

Although the conduct covered by the CFTC Order arose in the context of the offer or sale of securities, the violations charged in the CFTC Order are of a Section of the CEA and a related Regulation that are non-scienter-based and are satisfied by negligent conduct. The CFTC did not find any intentional or reckless violations of the CEA. As the Division of Corporation Finance has stated, an issuer's burden to show good cause that a waiver is justified is significantly greater when a matter involves a criminal conviction or scienter-based conduct; neither applies to JPMCB in the instant matter.

[2] While not reflected in the CFTC Order, the relevant Discretionary Portfolios had only limited indirect exposure to commodity interests through investments in certain investment funds and, with respect to funds managed by affiliates of JPMCB, there were only two such funds with a commodities-based strategy previously used in the Discretionary Portfolios. Among the subset of Discretionary Portfolios that invested in either of those two funds, the investments in the relevant affiliated funds accounted for a very small portion of total client portfolio assets, at times less than 2%. Yet, as described below, the effect of a disqualification would limit JPMCB and its subsidiaries' ability to provide services globally.

Each of the disclosure inadequacies described in the CFTC Order spanned a different number of years, with the longest period spanning from 2008 until August 2015. However, with respect to a preference for affiliated mutual funds, the CFTC Order finds that any inadequate disclosure by JPMCB to Discretionary Portfolio clients was limited to an approximately three year period following the removal of language on a preference from the J.P. Morgan Fund Disclosure Statement in February 2011 and preceding the re-introduction of such language in early 2014. In addition, as noted above, clients did receive certain disclosure on the conflicts at issue and were informed of which funds were in their Discretionary Portfolios, as well as the amount of assets held in each affiliated fund and third-party fund through, for example, periodic account statements and client reviews. Remedial actions, as described below, have been implemented to ensure that the disclosure issues do not arise again.

2. *Responsibility for the Violation*

The CFTC did not name any individuals in the CFTC Order. The CFTC Order contains no findings that the conduct described in the CFTC Order occurred at the direction of senior management of JPMCB and no findings of any misconduct by the board of directors of JPMCB. The CFTC did not find that any of JPMCB's directors or senior management were aware of any of the disclosure inadequacies and ignored them. The disclosure inadequacies stem from certain line of business and process issues rather than from misconduct of any specific individuals. As shown below, substantial actions have been taken to address and remedy those issues.

3. *Remedial Steps*

JPMCB has taken several steps to ensure that the practices that the CFTC Order asserts were previously not disclosed adequately are disclosed in full to clients of the U.S. Private Bank in relevant client documentation and regulatory disclosure documents for the Discretionary Portfolios. The U.S. Private Bank line of business has enhanced training and education for relevant personnel regarding the practices and related potential conflicts. In addition, it has enhanced its overall conflicts of interest framework, the procedures for language changes in relevant client documentation and regulatory disclosure documents for the Discretionary Portfolios, and the conflicts-related policies and procedures, as described below.

A. Enhanced Communication to Clients

Beginning in late 2013, JPMCB enhanced conflicts disclosures in documents provided to clients of the U.S. Private Bank regarding JPMCB's use of affiliated funds in the Discretionary Portfolios managed by JPMCB. Notably, JPMCB re-introduced language specifically articulating a preference for affiliated managers in certain circumstances.

In 2015, JPMCB also enhanced disclosure to clients of the U.S. Private Bank regarding the use of hedge funds in Discretionary Portfolios managed by JPMCB for which its broker-dealer affiliates act as placement agent and earn fees for placement and other ongoing services (fees sometimes referred to as "retrocessions"). The enhanced disclosure states that receipt of such fees involves a conflict of interest and provides additional information regarding the extent to which hedge funds are used in the relevant Discretionary Portfolios. The disclosure states, for example, that, to the extent a discretionary investment management account is to be invested directly in hedge funds, JPMCB typically chooses to invest the account only in hedge funds that pay or for which sponsors pay fees for placement agent services to a broker-dealer affiliate. The process for providing this enhanced disclosure to relevant clients began in early August.

B. Education and Training

In addition to these enhancements to documentation provided to clients, training materials used with U.S. Private Bank representatives were enhanced in 2014 to describe in greater detail the use of affiliated funds in the Discretionary Portfolios and related conflicts of interest, including a preference for affiliated managers. Similarly, in connection with the roll-out in 2015 of the enhanced disclosures regarding fees earned for placement agent services as referenced above, relevant personnel for the U.S. Private Bank were educated about the enhanced disclosures and provided information on JPMCB's use in relevant Discretionary Portfolios of hedge funds from which an affiliated broker-dealer earns fees for placement agent services.

C. Other Control Enhancements Related to Conflicts of Interest & Related Disclosure

Beginning in 2014, J.P. Morgan's Asset Management line of business, which is inclusive of the U.S. Private Bank, created and implemented an enhanced conflicts of interest framework ("COI Framework") as a component of its Risk Control Self-Assessment ("RCSA") process. The enhanced COI Framework provides a disciplined and structured approach to conflicts. The COI Framework created an ongoing process to both identify conflicts in a particular line of business and assess controls surrounding those conflicts of interest. The process includes the following steps: (1) identification of potential conflicts of interest (including specifically those associated with the use of affiliated funds); (2) assessment of the policies, procedures, governance and disclosures, where applicable, surrounding each category of conflict; (3) identification of gaps or weaknesses; and (4) remediation of such gaps or weaknesses. This conflicts assessment encompasses the activities of JPMCB as manager of the Discretionary Portfolios for clients of the U.S. Private Bank, and is part of the ongoing RCSA process.

In addition, the U.S. Private Bank has enhanced the procedures for language changes in relevant client documentation and regulatory disclosure documents for the Discretionary

Portfolios. In particular, the U.S. Private Bank has implemented Client Documentation and Regulatory Disclosure Procedures that call for the engagement of different business and functional groups in the review and approval of language changes – including additions and deletions – to relevant client documentation and regulatory disclosure documents. The procedures assign clear roles and responsibilities among the business, legal, and compliance functions. The procedures also require a Document Owner and a designated Process Owner, who is charged with coordinating input from the business, legal, and compliance functions. Changes to language that have been approved are coordinated by an Implementation Owner, who is responsible for implementing final language in a particular document.

Furthermore, prior to entry of the CFTC Order, an independent compliance consultant ("ICC") was engaged to review the U.S. Private Bank policies and procedures regarding disclosure of potential conflicts posed by the use of affiliated funds or retrocession-paying third-party private funds in Discretionary Portfolios including any preferences for such funds, as well as to review training of client-facing employees regarding the same. As described above, the U.S. Private Bank has implemented Client Documentation and Regulatory Disclosure Procedures. The ICC[3] reviewed the then-draft procedures and recommended that, in addition to promoting consistency among all relevant documents in a particular line of business and all related documents across lines of business, the procedure should also promote consistency *within* a document. This recommendation has been incorporated into the procedures. The ICC further observed that there may be other documents, such as marketing materials, that should be consistent with client and regulatory disclosure documents and recommended that the then-draft procedures be revised to identify other relevant materials or documents that should be considered for review during the process. This recommendation has also been incorporated into the procedures. In addition, the ICC provided comments on the then-draft Managed Strategy Selection Policy, including a recommendation that the Policy include a cross-reference to the various procedures used to implement the Policy and that a Compliance Program document include cross-references to such Policy. The Policy and Program documents have been amended accordingly.

4. *Material and Disproportionate Impact on JPMCB and its Subsidiaries and Affiliates, Customers and Third Parties if Waiver is Denied*

A disqualification of JPMCB from using (or participating in transactions using) the exemption under Rule 506 resulting from the entry of the CFTC Order would have a material adverse impact on JPMCB and certain of its subsidiaries and affiliates, its customers, and the third parties that have retained, or may retain in the future, JPMCB and other entities with which

[3] The ICC also made recommendations relating to other J.P. Morgan lines of business. Those recommendations, which are not described in this letter because they do not implicate JPMCB, have also been implemented.

JPMCB is associated in one of the roles specified in Rule 506(d) in connection with transactions that rely on this exemption.

JPMCB and certain of its subsidiaries would be disproportionately harmed by a disqualification because they have participated, and expect to continue to participate, as an issuer, investment manager, or placement agent in a large number of global securities offerings under Rule 506, and their inability to do so could result in the cessation or severe curtailment of certain private fund activities of the global Private Bank (which includes both J.P. Morgan's U.S. Private Bank and its International Private Bank) and JPMCB's Rule 506 structured notes business. As described below, JPMCB's numerous customers would be disadvantaged in terms of their ability to have access to certain investment funds and structured notes that meet their investment preferences. These customers would face the burden of finding alternative investments if such offerings are delayed, restricted, or abandoned as a result of a disqualification of JPMCB. In addition, third-party and affiliated issuers in Rule 506 transactions that have hired JPMCB to participate in such offerings in certain roles would be disadvantaged by a disqualification of JPMCB because such a disqualification would have a negative impact on their capital raising activities by eliminating an important distribution channel for their securities which could cause immediate and significant disruption in their ability to access a large number of investors.

A. <u>Effects of Disqualification on Investment Manager and Placement Agent Activities</u>

A disqualification of JPMCB from acting as an investment manager and placement agent for issuers engaging in Rule 506 offerings, arising from the CFTC Order, would result in the loss of significant current and future business and could place JPMCB at a competitive disadvantage relative to its peer institutions. An integral part of the business of the Private Bank is its ability to participate - through JPMCB and certain of its subsidiaries and affiliates - in transactions that rely on Rule 506, including a significant number of offerings of private investment funds. The Private Bank makes available to its clients an array of private investment funds that rely on Rule 506 for their offerings. Currently, JPMCB and its affiliates have over 28,000 private banking customer accounts worldwide that hold approximately 80,000 customer investments in private funds.

JPMCB currently acts as the investment manager to approximately 14 private funds, specifically, the Global Access Portfolio funds, that rely on Rule 506, representing total assets of approximately $6.1 billion and approximately 4,300 customer investments. In addition, certain JPMCB branches and subsidiaries act or have historically acted as placement agents in connection with global Rule 506 offerings for more than 180 private funds, including private equity funds, hedge funds, and real estate funds, that offer securities through the Private Bank. These private funds have been offered and sold, through JPMCB and affiliated placement agents, to accounts of customers in numerous countries and represents over $55 billion in assets placed. Over 10,000 Private Bank customer investments in private funds that rely on Rule 506 have been placed by JPMCB and certain of its branches and subsidiaries.

Effects on JPMCB, its Branches, and its Subsidiaries

If JPMCB is subject to a Rule 506(d) disqualification, third-party and J.P. Morgan-affiliated private funds that engage in Rule 506 offerings and that have entered into placement agent agreements (and in the case of J.P. Morgan-affiliated private funds, investment management agreements) with JPMCB would be unable to offer their securities in reliance on Rule 506, and would be required to either offer securities under an alternative exemption from registration or seek to replace JPMCB as investment manager and/or placement agent, or otherwise terminate their relationship with JPMCB in the other roles described in Rule 506(d). These issuers may not be able to rely on other offering exemptions provided in the Securities Act and current market practice favors the use of Rule 506 in certain private placement offerings because it provides the benefit of a safe harbor for an exempt offering. As a result, any such issuers that are currently conducting a Rule 506 offering would likely terminate their relationships with JPMCB (and as described below, potentially all J.P. Morgan affiliates that serve as placement agents). As of the date hereof, there are three private equity funds, for which JPMCB is acting as placement agent, engaging in current offerings of their securities under Rule 506 expected to close in the coming months. Closings of these offerings are currently scheduled for December 2015 and January 2016. These three offerings are expected to represent approximately $280 million in assets placed by JPMCB and approximately 280 customer investments. Further, a robust pipeline of issuers are in active negotiations to engage J.P. Morgan as placement agent or investment manager and would not be able to engage JPMCB for future Rule 506 offerings.

A disqualification of JPMCB would not only result in a significant loss of business for JPMCB and its branches and subsidiaries, it could also negatively impact other JPMC entities, such as JPMS, which acts as placement agent in Rule 506 offerings. In offerings that are conducted globally under Rule 506, JPMCB, through certain of its branches and subsidiaries, would act as a placement agent outside of the United States, while JPMS, a U.S. registered broker-dealer, would be responsible for the selling activity in the United States. A disqualification of JPMCB would cause such branches and subsidiaries of JPMCB to have to cease acting as placement agents in Rule 506 offerings. Further, while JPMS would not be subject to disqualification as a result of the CFTC Order, in choosing a distribution channel, issuers would likely choose to engage one firm that has the ability to participate in all aspects of the Rule 506 offering rather than engaging JPMS solely for the domestic portion of the offering.

Effects on Customers

A disqualification of JPMCB would negatively affect its customers who invest in private fund investments. As noted above, currently JPMCB acts as the investment manager to approximately 14 private funds representing approximately 4,300 customer investments. In addition, approximately 10,000 Private Bank customer investments in private funds that rely on Rule 506 have been placed by JPMCB and certain of its branches and subsidiaries.

In addition, as noted above, at least three private equity funds that are relying on Rule 506 for issuing their securities to customers will have closings in the coming months. JPMCB is a placement agent for these offerings. If JPMCB becomes disqualified, its customers would be unable to have their subscriptions fulfilled and would be unable to invest in these funds, disrupting such customers' investment plans and requiring them to seek alternative investment options which are not readily available.

If a disqualification of JPMCB were to occur during the offering period of certain continuously offered private funds, like hedge funds, the customers who invested in the fund prior to the disqualification could find themselves as investors in a fund that is unable to accept new customers and raise new capital. Without being able to continue to raise new capital, existing investors in the funds and the funds themselves would not be able to make new investments to grow the funds and spread costs among more investors.

A disqualification of JPMCB would cause customers in many countries outside of the United States to not be able to invest in most, if not all, private equity and real estate funds offered through the Global Private Bank. Therefore, these customers would lose access to two of the three alternative fund asset classes that are typically part of the investment allocation options and currently comprise an important component of a balanced portfolio allocation. Customers may not be able to attain the performance and growth envisioned in their accounts because customers would not be able to allocate their capital among the private equity and real estate allocation options and would not have access to viable substitutions. In addition, as discussed above, third-party issuers likely would prefer to engage one firm that can participate in both the domestic and offshore aspects of an offering, and would therefore be less likely to engage J.P. Morgan for their Rule 506 offerings. This could result in reducing the number of available investment options for the Private Bank's domestic customers thereby removing their access to these asset classes as well. Customers who may have long-standing relationships with the Private Bank would not have access to some of the Private Bank's most impactful ideas in the diversified portfolio context. In addition, certain customers may have selected JPMCB due to its extensive market exposure and expertise to remain current with the market landscape and specific trends, or because it can provide combined services, such as investment allocation services and execution services, to achieve cost savings and/or other conveniences associated with the combined services of a single firm. If JPMCB is disqualified, these customers would face the burden of having to find alternative investments or to undertake the burdensome administrative process of establishing an account with another firm in order to access similar investment opportunities and services.

Many of the private fund investment options made available to J.P. Morgan Private Bank customers are not readily accessible to such non-institutional investors outside of an investment platform. Investment platforms at competitors may make some options available, but such platforms may not replicate the array of options available at the Private Bank. Therefore, a disqualification of JPMCB likely would cause certain customers to lose access to certain private fund investments.

Effects on Other Issuers

As noted above, a disqualification of JPMCB would likely result in the termination by third-party and J.P. Morgan-affiliated issuers that rely on Rule 506 of their placement agent engagements with JPMCB. Since 2014, at least 16 third-party private equity funds and 12 J.P. Morgan-affiliated private equity funds have engaged or are in discussions to engage JPMCB as placement agent. JPMCB or certain of its branches or subsidiaries have placed or are projected to place in excess of $3 billion in commitments for these 28 private equity funds with over 1,600 customer investments. Three third-party private equity funds are currently offering securities under Rule 506 to customers and have not yet had their first closing on commitments raised by JPMCB and its subsidiaries. One third-party private equity fund and two affiliated private equity funds intend to launch their funds in early 2016. These six private equity funds are expected to raise assets in excess of $600 million from over 500 customer investments. In addition, JPMCB acts as placement agent for three open-end real estate funds engaging in global Rule 506 offerings, and has placed approximately 45 customer investments, for an aggregate NAV of $43 million, in such funds (as of September 30, 2015). Further, in 2015, JPMCB was engaged as placement agent for three hedge funds engaging in global Rule 506 offerings, and has placed approximately 41 customer investments, for an aggregate NAV of $19.5 million, in such funds (as of September 30, 2015).

As a result of JPMCB's disqualification, such issuers would no longer be able - now or in the future - to access JPMCB's extensive investor base, which is an important benefit to issuers that engage JPMCB in Rule 506 offerings. Further, issuers that have expended significant time and resources to establish relationships with JPMCB, would no longer be able to rely on JPMCB's institutional knowledge to seek distribution channels for their securities. In addition, there would be a significant administrative burden of switching to a new placement agent relationship with a non-disqualified entity.

JPMCB acts as investment manager to 14 JPMC-affiliated funds, representing total assets of approximately $6.1 billion. Such funds offer securities under Rule 506 to customers on a continuous basis with monthly closings. With respect to such funds, JPMCB is either the largest or only distribution channel for such issuers' interests outside the United States. The disqualification of JPMCB would have a severe impact on the affiliated funds' ability to continue to raise new capital. Without being able to continue to raise new capital, existing investors in the funds and the funds themselves would not be able to make new investments to grow the funds and spread costs among numerous investors. The funds may not be able to provide the investments and growth envisioned by current and future investors.

B. Effects of Disqualification on JPMCB as Issuer

The ability to participate in Rule 506 offerings is also an important component of the business of J.P. Morgan's Corporate and Investment Bank. JPMCB is the issuer of structured notes in transactions under Rule 506. Since January 1, 2012, JPMCB has issued such securities in over 300 transactions for several hundred customers, with an aggregate principal amount of approximately $2.5 billion. JPMCB plans to continue offering these securities to similar numbers of customers in the future. The majority of these structured notes are sold through a third-party placement agent to investors who specifically seek these products because of JPMCB's knowledge and experience in the market, as well as investors seeking to diversify the credit risk of their portfolios and to obtain competitive pricing through a bid process among multiple product issuers.

Effects on JPMCB

If JPMCB is disqualified under Rule 506, it would no longer be able to issue structured notes in reliance on the rule. Due to regulatory requirements, third-party customer prerequisites and market expectations with respect to efficiency of issuance, JPMCB would not be able to conduct such offerings on a registered basis or under an alternative exemption from the registration requirements of the Securities Act. As a result, this offering activity would cease upon JPMCB's disqualification, resulting in a significant loss of business for JPMCB.

Effects on Customers

Without a waiver, both Private Bank clients and third-party customers who invest in structured notes issued by JPMCB would lose access to an important product used to diversify their holdings. A majority of these structured notes are sold to third-party customers, who would lose a trusted source of these products and access to an issuer that provides diversification of credit risk for investors. In addition, third-party customers would lose the competitive pricing benefits of including JPMCB in their suite of issuers of privately placed structured notes. Third-party customers would also face the burden of identifying and onboarding a new issuer of these products.

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In light of the grounds for relief discussed above, we believe that disqualification is not necessary under the circumstances and that JPMCB has shown good cause that relief should be granted. Accordingly, we respectfully urge the Commission, pursuant to Rule 506(d)(2)(ii) of Regulation D, to waive the disqualification provisions in Rule 506 to the extent they may be applicable as a result of the entry of the CFTC Order as to JPMCB.[4]

JPMCB will, for the time period described in Rule 506(d)(l) furnish (or cause to be furnished) to each purchaser to whom JPMCB offers and sells securities in a Rule 506 offering that would otherwise be subject to the disqualification under Rule 506(d)(l) as a result of the CFTC Order, a description in writing of the CFTC Order a reasonable time prior to sale.

If you have any questions regarding any of the foregoing, please do not hesitate to contact me at the telephone number below.

Sincerely

Paul R. Eckert/JF

Paul R. Eckert

[4] We note in support of this request that the Commission previously has granted relief under Rule 506 in connection with the entry of CFTC administrative orders for violations of the CEA (*See, e.g.*, *In the Matter of Barclays PLC, Barclays Bank PLC and Barclays Capital Inc.*, Commission No-Action Letter (pub. avail. May 20, 2015)). JPMCB is not requesting waivers of the disqualifications from relying on Regulation A and Rule 505 of Regulation D at this time because it does not now use or participate in transactions under such offering exemptions. JPMCB understands that it may request such waivers in separate requests if circumstances change.