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JPMorgan Chase reaches settlement with SEC regarding Bear Stearns and JPM Residential Mortgage-Backed Securities

New York, November 16, 2012 - JPMorgan Chase & Co. (NYSE: JPM) announced today an agreement with the U.S. Securities and Exchange Commission ("SEC") to settle SEC inquiries regarding disclosures in certain residential mortgage-backed securities ("RMBS") offerings issued by Bear Stearns and one issued by J.P. Morgan. The agreement is subject to court approval.

As part of the agreement, J.P. Morgan Securities LLC and the other settling entities consented to the filing of a complaint, without admitting or denying its allegations, and will pay disgorgement and penalties totaling approximately \$297 million. More than two-thirds of these payments relate to securities issued by Bear Stearns and are slated for return to the trusts Bear sponsored or the investors in those trusts. The SEC's complaint makes allegations under the negligence-based provisions of the federal securities laws and does not include charges of intentional misconduct. J.P. Morgan is pleased to have reached agreement with the SEC to put these matters concerning RMBS behind it.

The SEC's claims relate primarily to Bear Stearns' alleged failure to disclose settlements entered into by a Bear Stearns affiliate with originators of loans that had been securitized into RMBS trusts. The settlement provides a mechanism for J.P. Morgan Securities to disgorge the proceeds from the settlements to the SEC for eventual payment into the relevant RMBS trusts, without impacting the Real Estate Mortgage Investment Conduit status of the trusts.

The settlement also resolves SEC claims concerning the delinquency disclosures in an RMBS offering by a J.P. Morgan affiliate in 2006. The SEC's complaint alleges that J.P. Morgan Securities failed to include in the RMBS prospectus supplement's delinquency disclosures approximately 620 loans that the SEC asserts were more than 30 days delinquent at the cut-off date for the offering. By the time of the first remittance report after the offering, however, only 346 loans were reported as delinquent to investors and J.P. Morgan Securities repurchased 259 of these 346 loans.

While we have received no assurances from the SEC that additional claims will not be filed in the future, we are unaware of any active SEC investigations into JPMorgan's RMBS activities beyond those we are resolving today.

About JPMorgan Chase & Co.

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.