

**UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
COMPTROLLER OF THE CURRENCY**

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**In the Matter of:**

JPMorgan Chase Bank, N.A.  
Columbus, Ohio

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) AA-EC-14-100  
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**CONSENT ORDER**

The Comptroller of the Currency of the United States of America ("Comptroller"), through his national bank examiners and other staff of the Office of the Comptroller of the Currency ("OCC"), has conducted an examination of JPMorgan Chase Bank, N.A., Columbus, Ohio ("Bank"). The Bank engages in foreign exchange business (including G10 and other currencies, sales and trading in spot, forwards, options, or other derivatives) and the OCC has identified certain deficiencies and unsafe or unsound practices related to the Bank's wholesale foreign exchange business where it is acting as principal ("FX Trading"). The OCC has informed the Bank of the findings resulting from the examination.

The Bank, by and through its duly elected and acting Board of Directors ("Board"), has executed a "Stipulation and Consent to the Issuance of a Consent Order," dated November 11, 2014, that is accepted by the Comptroller ("Stipulation"). By this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Cease and Desist Order ("Order") by the Comptroller. The Bank has committed to taking all necessary and appropriate steps to remedy the deficiencies and unsafe or unsound practices identified by the OCC and has begun implementing procedures to remediate the practices addressed in this Order.

## ARTICLE I

### COMPTROLLER'S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) The foreign exchange ("FX") market is one of the largest and most liquid markets in the world. The FX market enables participants to buy, sell, exchange, hedge and speculate on currencies. The spot FX market is decentralized and lacks a comprehensive set of rules and regulations governing market activities and conduct. The Bank for International Settlements estimates that the daily average volume turnover of the global FX market was over five trillion dollars in April 2013 with spot transactions making up over two trillion in turnover every day.

(2) The G10 spot FX market includes transactions between two parties to exchange currencies with settlement on a spot date (generally within two business days). G10 currencies include the U.S. dollar, euro, British pound, Japanese yen, Swedish krona, Norwegian krone, Australian dollar, New Zealand dollar, Swiss franc, and the Canadian dollar. The Bank for International Settlements estimates that daily average turnover in G10 currency pairs accounts for approximately seventy five percent (75%) of total FX turnover.

(3) WM/Reuters ("WM/R") publishes a series of hourly intraday spot rates ("benchmarks" or "fixes") for certain currency pairs, including a "closing" rate at end of the trading day in London at 4:00 p.m. London Time. For certain currency pairs, WM/R calculates the published rate using the trading activity on a particular electronic trading platform during a one minute window ("fixing window") thirty seconds before and thirty seconds after the end of each hour.

(4) The European Central Bank ("ECB") also establishes reference rates for various currency pairs generally at 2:15 p.m. Central European Time.

(5) Rates established at these fixes are used by global financial market participants to execute trades and by others such as corporations, asset managers, and pension funds to value their portfolios and transact at a published benchmark rate.

(6) The Bank was an active dealer in the G10 spot foreign exchange market during the period from 2008 through 2013 (“Relevant Period”).

(7) As a dealer in the spot FX market, the Bank provides liquidity in G10 currencies by acting as a principal market maker, trading with other dealers and customers on behalf of the Bank, and to seek to earn a profit on the bid-ask spread.

(8) While much of spot FX is transacted on electronic trading platforms, the Bank has “voice” traders who interact with the Bank’s FX sales personnel, or in some cases, the customer directly, to execute the customer’s order as a principal by transacting in the market or dealing from the Bank’s inventory.

(9) The Bank agrees to transact with customers through various types of orders, including in relevant part:

- (a) Market orders, to buy or sell at the best available market price;
- (b) Limit orders, including stop loss orders and take profit orders, in which the Bank agrees to buy or sell to the customer upon the currency pair reaching a specified rate; and
- (c) Fix orders, in which the Bank agrees that it will buy or sell to the customer at a specified forthcoming fix rate. The Bank may seek to manage risk associated with forthcoming fix orders by transacting prior to the fixing window in an amount sufficient to cover the Bank’s net fix orders.

(10) The Bank's FX traders encountered potential conflicts of interest between trading to maximize the Bank's profit or the trader's profit, or both, and providing fair execution to the Bank's customers.

(11) Use of electronic messaging platforms was common among traders throughout the industry. During the Relevant Period, the Bank's FX spot traders participated in multibank chatrooms on instant messaging platforms, until it prohibited such communications in December 2013.

(12) While participating in multibank chatrooms, some of the Bank's G10 spot FX traders discussed engaging in potential misconduct with traders from other banks or market participants, including:

- (a) Discussions of coordinating trading strategies among the Bank's traders and traders at other banks to attempt to manipulate the WM/R spot FX benchmark rates or ECB spot FX reference rates to the benefit of the trader or the bank or both and to the potential detriment to some of the Bank's customers;
- (b) Discussions of trading, either alone or collusively, to trigger customers' limit orders, such as stop loss or take profit orders, or customers' barrier options for the trader or Bank's benefit and to the potential detriment of such customers;
- (c) Discussions of trading in advance of pending customers' orders for the trader or Bank's benefit and to the potential detriment of such customers;
- (d) Discussions about agreements not to trade in a particular currency pair while other traders were doing so; and

- (e) Disclosure of confidential Bank information, including the disclosure of information regarding customer order flows and proprietary Bank information, such as FX rate spreads.

(13) These communications occurred during the Relevant Period and went undetected by the Bank for several years.

(14) The OCC engaged in a joint, targeted examination of the Bank and its foreign exchange business with the Federal Reserve Bank of New York. The OCC's examination findings established that the Bank had deficiencies in its internal controls and had engaged in unsafe or unsound banking practices with respect to the oversight and governance of the Bank's FX trading business such that the Bank failed to detect and prevent the conduct set forth in paragraph twelve (12). The deficiencies and unsafe or unsound practices include the following:

- (a) The Bank's oversight and governance of its FX trading business were weak and lacked adequate formal guidance to mitigate and manage risks related to market conduct in FX Trading with respect to sales, trading and supervisory employees in that business ("Employee");
- (b) The Bank's compliance risk assessment lacked sufficient granularity and failed to identify the risks related to Employee market conduct in FX Trading;
- (c) The Bank's transaction monitoring and communications surveillance were inadequate to detect potential Employee market misconduct in FX Trading;

- (d) The Bank's compliance testing procedures were inadequate to measure adherence to the Bank's standards of Employee conduct and firm policies applicable to Employee market conduct in FX Trading; and
- (e) Internal audit's risk assessment and coverage of the FX trading business needed improvement to assess whether the Bank's control framework was effective in identifying and mitigating compliance risks related to Employee market conduct.

(15) The OCC previously criticized the Bank's documentation and recordkeeping support, management review, post-submission monitoring, communications monitoring and audit coverage, and requested the Bank to perform a gap analysis of the Bank's submissions in the LIBOR (London interbank offered rate) benchmark rate setting process.

(16) The Bank has committed to, and has already begun, taking necessary and appropriate steps to remedy the deficiencies and unsafe or unsound practices identified by the OCC.

### ORDER

Pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. §1818(b), the Comptroller hereby ORDERS that:

### ARTICLE II

#### COMPLIANCE COMMITTEE

(1) The Board shall appoint and maintain a Compliance Committee of at least three (3) directors, of which a majority may not be employees or officers of the Bank or any of its subsidiaries or affiliates. The Compliance Committee may also include one or more directors of the Bank's holding company as one or more of the required directors, if acceptable to the

Examiner in Charge for Large Bank Supervision (“Examiner-in-Charge”). At formation and thereafter in the event of a change in the membership, the names of the members of the Compliance Committee shall be submitted to the Examiner-in-Charge. The Compliance Committee shall be responsible for monitoring and coordinating the Bank’s compliance with the provisions of this Order. The Compliance Committee shall meet at least eight (8) times per year and maintain minutes of its meetings.

(2) Within one hundred eighty (180) days of the effective date of this Order, and thereafter within thirty (30) days after the end of each calendar quarter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail the actions taken to comply with each Article of this Order, and the results and status of those actions.

(3) The Board shall forward a copy of the Compliance Committee’s report, with any additional comments by the Board, to the Deputy Comptroller for Large Bank Supervision (“Deputy Comptroller”) and the Examiner-in-Charge within ten (10) days of receiving such report.

### ARTICLE III

#### COMPREHENSIVE ACTION PLAN

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit to the Deputy Comptroller and Examiner-in-Charge for review and written determination of no supervisory objection an acceptable plan containing a complete description of the actions that are necessary and appropriate to achieve compliance with Articles IV through IX of this Order (“Action Plan”).

(2) The Action Plan shall provide for, at a minimum:

- (a) Adequate financial resources to develop and implement the plans required under this Order and appropriate controls and oversight related to Employee market conduct in FX trading consistent with safe and sound banking practices;
- (b) The organizational structure, managerial resources, and staffing to support the plans required under this Order;
- (c) Adequate staffing and other resources sufficient to identify, understand, measure, monitor and control the risks related to Employee market conduct in FX Trading; and
- (d) Adequate oversight and governance sufficient to identify, understand, measure, monitor and control the risks related to Employee market conduct in FX Trading and the provisions of this Order.

(3) The Action Plan shall specify timelines for completion of each of the requirements of Articles IV through IX of this Order. The timelines in the Action Plan shall be consistent with any deadlines set forth in this Order.

(4) The Board shall ensure that the Bank achieves and thereafter maintains compliance with this Order, including, without limitation, successful implementation of the Action Plan. The Board shall further ensure that, upon implementation of the Action Plan, the Bank achieves and maintains effective controls, oversight and governance, monitoring and surveillance, compliance testing, and audit coverage related to Employee market conduct in FX Trading. In each instance in this Order in which the Board is required to ensure adherence to, or undertake to perform certain obligations, it is intended to mean that the Board shall:



- (a) Require the timely reporting by Bank management of such actions directed by the Board to be taken under this Order and the results of such actions;
- (b) Require that the reporting by Bank management is timely, adequate and accurate; and
- (c) Require timely and appropriate corrective action by Bank management to remedy material non-compliance with any Article of this Order.

#### ARTICLE IV

##### BOARD AND MANAGEMENT OVERSIGHT AND GOVERNANCE

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit an acceptable written plan to provide for (i) appropriate management oversight related to Employee market conduct in FX Trading and (ii) appropriate governance by the Board over Bank management's oversight of Employee market conduct in FX Trading ("Oversight and Governance Plan").

(2) The Oversight and Governance Plan shall provide for oversight of the Bank's development and implementation of internal processes to appropriately manage material risks to the Bank with respect to Employee market conduct in FX Trading, and shall at a minimum:

- (a) Establish or enhance policies, procedures, and control processes to ensure clear and consistent definitions of Employee market misconduct in FX Trading;
- (b) Establish or enhance clearly defined oversight roles and responsibilities for FX Trading, including compliance oversight and audit coverage;

- (c) Establish processes that require the Bank to timely, fully and accurately report material Employee market misconduct in FX Trading to the OCC and to respond to related OCC requests for information; and
- (d) Require that the Bank clearly documents decisions and rationales related to Employee market misconduct in FX Trading.

(3) The Bank shall not authorize any other party, including but not limited to the Bank's holding company, or any of the Bank's affiliates, to perform any act on behalf of the Bank required under this Order, unless the Bank requires that party to perform such act in the manner and under safeguards and controls as least as stringent as required by the Bank under the terms of this Order as implemented by the Bank.

(4) Upon receipt of a determination of no supervisory objection to the Oversight and Governance Plan, the Board shall ensure that the Bank implements and adheres to the Oversight and Governance Plan. Any proposed material changes to or deviations from the approved Oversight and Governance Plan shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

## ARTICLE V

### COMPLIANCE RISK ASSESSMENT PLAN

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit an acceptable written plan to provide for a compliance risk assessment sufficiently granular to identify risks related to Employee market conduct in FX Trading ("Compliance Risk Assessment Plan").

(2) The Compliance Risk Assessment Plan shall provide for the effective identification of current and emerging risks in FX Trading related to Employee market conduct, and shall at a minimum:

- (a) Contain sufficient granularity to reasonably identify and measure those risks; and
- (b) Incorporate lessons learned from both internal and external control failures.

(3) Upon receipt of a determination of no supervisory objection to the Compliance Risk Assessment Plan, the Board shall ensure that the Bank implements and adheres to the Compliance Risk Assessment Plan. Any proposed material changes to or deviations from the approved Compliance Risk Assessment Plan shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

## ARTICLE VI

### COMPLIANCE MONITORING AND SURVEILLANCE

(1) Within one hundred twenty (120) days of this effective date of this Order, the Bank shall submit an acceptable written plan to provide for appropriate monitoring and communications surveillance related to Employee market conduct in FX Trading (“Monitoring and Surveillance Plan”).

(2) The Monitoring and Surveillance Plan shall provide for adequate transaction monitoring and electronic communications surveillance processes to ensure that the Bank provides strong supervision of Employee market conduct and communications in FX Trading, and shall at a minimum:

- (a) Establish or enhance minimum monitoring and surveillance processes across the various jurisdictions in which the Bank engages in FX Trading that are reasonably designed to detect Employee market misconduct, subject to applicable laws;
- (b) Establish or enhance policies and procedures documenting the Bank's monitoring and surveillance processes related to Employee market conduct in FX Trading;
- (c) Establish or further define the roles and responsibilities of business, compliance, and audit in ensuring appropriate monitoring and surveillance processes related to Employee market conduct in FX Trading;
- (d) Incorporate the Bank's FX compliance risk assessment to identify present and emerging risks related to Employee market conduct in FX Trading;
- (e) Develop or enhance lexicon-based search policies based on the Bank's FX Trading policies and procedures and implement a monitoring and surveillance program reasonably designed to identify Employee market conduct in FX Trading in violation of the Bank's policies;
- (f) Periodically review the transaction monitoring and surveillance processes, including the lexicon-based search policies, to account for new FX Trading market communication practices and language trends;
- (g) Ensure that current and new communication channels related to Employee market conduct in FX Trading are identified, reviewed, and incorporated into the Bank's monitoring and surveillance processes on an ongoing basis;

- (h) Require that Employee market conduct issues in FX Trading transactions or communications identified by monitoring and surveillance programs are sufficiently reviewed, documented, escalated, and investigated where appropriate; and
- (i) Require monitoring and surveillance of Employee market conduct in FX Trading to be performed by personnel with sufficient expertise and experience to identify significant issues.

(3) Upon receipt of a determination of no supervisory objection to the Monitoring and Surveillance Plan, the Board shall ensure that the Bank implements and adheres to the Monitoring and Surveillance Plan. Any proposed material changes to or deviations from the approved Monitoring and Surveillance Plan shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

## ARTICLE VII

### COMPLIANCE TESTING

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit an acceptable written plan to provide for appropriate compliance testing related to Employee market conduct in FX Trading (“Compliance Testing Plan”).

(2) The Compliance Testing Plan shall provide for compliance testing procedures around controls for the detection or prevention of Employee market misconduct in FX Trading and compliance with this Order, and shall at a minimum:

- (a) Incorporate the FX compliance risk assessment to address Employee market conduct-related risks in FX Trading;

- (b) Require identification and adequate testing coverage for material changes in Employee market conduct-related risks in FX Trading in a timely manner;
- (c) Require consistently and adequately documented support for this compliance testing process;
- (d) Require that all material concerns identified during this compliance testing process are adequately addressed in a timely manner;
- (e) Require that any corrective action is reasonably designed to address the underlying cause of identified material concerns;
- (f) Require appropriate evaluation of controls related to Employee market conduct in FX Trading;
- (g) Require that Employee market conduct issues in FX Trading identified by compliance testing are sufficiently reviewed, documented, escalated, and investigated where appropriate; and
- (h) Require compliance testing to be performed by personnel with sufficient expertise and experience to identify significant Employee market conduct issues.

(3) Upon receipt of a determination of no supervisory objection to the Compliance Testing Plan, the Board shall ensure that the Bank implements and adheres to the Compliance Testing Plan. Any proposed material changes to or deviations from the approved Compliance Testing Plan shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

## ARTICLE VIII

### INTERNAL AUDIT

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit an acceptable written plan for the internal audit program to adequately address Employee market conduct in FX Trading (“Internal Audit Plan”).

(2) The Internal Audit Plan shall provide standards for audit processes and require effective audit coverage consistent with or as necessary to comply with this Article, in addition to, current JPMorgan Internal Audit policies and procedures as they relate to (i) consistently and adequately documenting support for all aspects of the audit process, including, but not limited to, audit planning, selection of control testing, selection of samples, audit work reviews and conclusions, (ii) adequately addressing in a timely manner material concerns identified during the audit process, (iii) fully addressing the underlying cause of identified material concerns, and (iv) establishing appropriate and timely corrective actions based on the level of risk severity, in each case with respect to Employee market conduct in FX Trading and compliance with this Order, and shall at a minimum:

- (a) Develop an independent Internal Audit conduct-related risk assessment related to Employee market conduct in FX Trading that must challenge the Bank’s compliance control framework;
- (b) Require appropriate audit strategies and coverage based on this risk assessment to guide the approach, execution and escalation processes;
- (c) Evaluate the control environment for identification and escalation of significant compliance and Employee market conduct issues in FX Trading in a timely manner;

- (d) Evaluate the control environment for identification of material changes in Employee market conduct-related risks in FX Trading in a timely manner and ensure adequate audit coverage therein;
- (e) Provide for the active and consistent participation in Bank audits of personnel with sufficient expertise and experience to identify control related issues related to potential Employee market misconduct, including material variations in controls across FX Trading lines of business at the Bank, and material variations in controls from those at the Bank's holding company;
- (f) Develop a formal process for sharing, as appropriate, significant audit, regulatory and emerging issues related to Employee market conduct in FX Trading across the audit department;
- (g) Require consistently and adequately documented support for all aspects of the audit process related to Employee market conduct in FX Trading, including, but not limited to, audit planning, selection of control testing, selection of samples, audit work reviews and conclusions;
- (h) Require that all material concerns related to Employee market conduct in FX Trading identified during the audit process are adequately addressed in a timely manner;
- (i) Verify that any corrective action related to Employee market conduct in FX Trading fully addresses the underlying cause of identified material concerns;



- (j) Establish appropriate and timely corrective action for issues related to Employee market conduct in FX Trading based on the level of risk severity;
- (k) Require appropriate evaluation of controls related to Employee market conduct in FX Trading; and
- (l) Provide for appropriate management oversight of the Employee market conduct in FX Trading audit process consistent with independence requirements.

(3) The Bank shall ensure that corrective actions related to Employee market conduct in FX Trading are undertaken promptly to remedy deficiencies cited in audit reports and audit self-assessments, and that auditors maintain a written record describing those actions.

(4) Upon receipt of a determination of no supervisory objection to the Internal Audit Plan, the Board shall ensure that the Bank implements and adheres to the Internal Audit Plan. Any proposed material changes to or deviations from the approved Internal Audit Plan shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

## ARTICLE IX

### PROACTIVE APPLICATION OF REMEDIAL MEASURES

(1) Within one hundred twenty (120) days of the effective date of this Order, the Bank shall submit an acceptable written plan to ensure that the Bank proactively uses a risk-based approach to apply Employee market conduct remedial measures in this Order to other wholesale trading as principal for the Bank and benchmark activities (“Other Trading

Activities”) as appropriate and defined in the Bank’s written plan (“Proactive Application of Remedial Measures Plan”).

(2) The Proactive Application of Remedial Measures Plan shall establish processes and procedures consistent with the key tenets of articles in this Consent Order to identify and address similar risks and control deficiencies in Other Trading Activities, and shall at a minimum:

- (a) Require a review to identify Other Trading Activities that could raise similar market conduct issues related to sales, trading, and supervisory employees in that business;
- (b) Require oversight and governance related to market conduct for such activities by sales, trading, and supervisory employees in that business;
- (c) Require compliance risk assessment plans related to market conduct by sales, trading, and supervisory employees in that business;
- (d) Require programs for monitoring and surveillance of market conduct by sales, trading, and supervisory employees in that business;
- (e) Require compliance testing related to market conduct by sales, trading, and supervisory employees in that business; and
- (f) Require internal audit coverage related to market conduct by sales, trading, and supervisory employees in that business.

(3) Upon receipt of a determination of no supervisory objection to the Proactive Application of Remedial Measures Plan, the Board shall ensure that the Bank implements and adheres to the Proactive Application of Remedial Measures Plan. Any proposed material changes to or deviations from the approved Proactive Application of Remedial Measures Plan

shall be submitted in writing to the Deputy Comptroller or Examiner-in-Charge for prior supervisory review and non-objection.

## ARTICLE X

### APPROVAL, IMPLEMENTATION AND REPORTS

(1) The Bank shall submit the written plans required by this Order for review and determination of no supervisory objection to the Deputy Comptroller or the Examiner-in-Charge within the applicable time periods set forth in Articles IV through IX. The Board shall approve the plans and require that the Bank submit the plans to the Deputy Comptroller or Examiner-in-Charge for prior written determination of no supervisory objection. In the event the Deputy Comptroller or Examiner-in-Charge asks the Bank to revise the plans, the Bank shall promptly make necessary and appropriate revisions and resubmit the materials to the Deputy Comptroller or Examiner-in-Charge for review and determination of no supervisory objection. Upon receiving written notice of no supervisory objection from the Deputy Comptroller or Examiner-in-Charge, the Board shall ensure that the Bank implements and thereafter adheres to the plans referenced herein.

(2) During the term of this Order, the required plans shall not be amended or rescinded in any material respect without a prior written determination of no supervisory objection from the Deputy Comptroller or Examiner-in-Charge.

(3) During the term of this Order, the Bank shall revise the required plans as necessary to incorporate new, or changes to, applicable legal requirements and supervisory guidelines.

(4) The Board shall ensure that the Bank has processes, personnel, and control systems to ensure implementation of and adherence to the plans required by this Order.

(5) Within the time period specified in Paragraph (3) of Article II, the Bank, acting through the Compliance Committee and the Board as contemplated by Paragraph (3) of Article II, shall submit to the OCC a written progress report detailing the form and manner of all actions taken to secure compliance with the provisions of this Order and the results thereof. The progress report shall include information sufficient to validate compliance with this Order. The OCC may, in writing, discontinue the requirement for progress reports or modify the reporting schedule.

(6) All communication regarding this Order shall be sent to:

Morris R. Morgan  
Deputy Comptroller  
Large Bank Supervision  
Office of the Comptroller of the Currency  
400 7th Street, SW  
Washington, DC 20219

and

Maryann H. Kennedy  
Examiner-in-Charge  
National Bank Examiners  
1166 Avenue of the Americas, 21<sup>st</sup> Floor  
New York, NY 10036

or such other individuals or addresses as directed by the OCC.

## ARTICLE XI

### OTHER PROVISIONS

(1) Although this Order requires the Bank to submit certain plans for the review or prior written determination of no supervisory objection by the Deputy Comptroller or the

Examiner-in-Charge, the Board has the ultimate responsibility for proper and sound management of the Bank.

(2) If, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States to undertake any action affecting the Bank, nothing in this Order shall in any way inhibit, estop, bar or otherwise prevent the Comptroller from so doing.

(3) This Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the unsafe or unsound practices described in the Comptroller's Findings set forth in Article I of this Order related to FX Trading. The OCC releases and discharges the Bank and its subsidiaries from all potential liability for a cease and desist order that has been or might have been asserted by the OCC based on the practices described in the Comptroller's Findings related to FX Trading set forth in Article I of this Order, to the extent known to the Comptroller as of the effective date of the Order. Provided, however, that (i) except as otherwise specified in this paragraph, nothing in the Stipulation or this Consent Order shall prevent the Comptroller from instituting other enforcement actions against the Bank and its subsidiaries or any of its institution-affiliated parties based on the findings set forth in this Order, or any other findings, and (ii) nothing in the Stipulation or this Order shall preclude or affect any right of the Comptroller to determine and ensure compliance with the terms and provisions of the Stipulation or this Order.

(4) This Order is and shall become effective upon its execution by the Comptroller, through his authorized representative whose hand appears below. The Order shall remain effective and enforceable, except to the extent that, and until such time as, any provision of this

Order shall be amended, suspended, waived, or terminated in writing by the Comptroller or his authorized representative.

(5) Any time limitations imposed by this Order shall begin to run from the effective date of this Order, as shown below, unless the Order specifies otherwise. The time limitations may be extended in writing by the Deputy Comptroller for good cause upon written application by the Board. Any request to extend any time limitation shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with the time limitation, and shall be accompanied by relevant supporting documentation. The Deputy Comptroller's decision regarding the request is final and not subject to further review.

(6) The terms and provisions of this Order apply to the Bank and its subsidiaries, even though those subsidiaries are not named as parties to this Order. The Bank shall integrate any activities done by a subsidiary into its plans, policies, programs and processes required by this Order. The Bank shall ensure that its subsidiaries comply with all terms and provisions of this Order.

(7) This Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818(b), and expressly does not form, and may not be construed to form, a contract binding the Comptroller or the United States. Without limiting the foregoing, nothing in this Order shall prevent any action against the Bank or its institution-affiliated parties by a bank regulatory agency, the United States Department of Justice, or any other law enforcement agency.

(8) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IT IS SO ORDERED, this 11th day of November, 2014.

/s/

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Morris R. Morgan  
Deputy Comptroller  
Large Bank Supervision

**UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
COMPTROLLER OF THE CURRENCY**

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**In the Matter of:**

JPMorgan Chase Bank, N.A.  
Columbus, Ohio

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**STIPULATION AND CONSENT TO THE ISSUANCE  
OF A CONSENT ORDER**

**WHEREAS**, JPMorgan Chase Bank, N.A., Columbus, Ohio (“Bank”) engages in foreign exchange business (including G10 and other currencies, sales and trading in spot, forwards, options, or other derivatives) and the Comptroller of the Currency of the United States of America (“Comptroller”) has identified certain deficiencies and unsafe or unsound practices related to the Bank’s wholesale foreign exchange business where it is acting as principal (“FX Trading”). The Comptroller, based upon information derived from the exercise of his regulatory and supervisory responsibilities, intends to issue a cease and desist order against the Bank, pursuant to 12 U.S.C. § 1818(b), for these deficiencies and unsafe or unsound banking practices.

**WHEREAS**, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, through its duly elected and acting Board of Directors (collectively referred to as the “Board”), has agreed to execute this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation”), that is accepted by the Comptroller, through his duly authorized representative;

**NOW, THEREFORE**, in consideration of the above premises, it is stipulated by the Bank that:



## ARTICLE I

### JURISDICTION

(1) The Bank is a national banking association chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.*

(2) The Comptroller is “the appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

(3) The Bank is an “insured depository institution” within the meaning of 12 U.S.C. § 1818(b)(1).

## ARTICLE II

### CONSENT

(1) The Bank, without admitting or denying any wrongdoing, consents and agrees to issuance of the accompanying Consent Order by the Comptroller.

(2) The terms and provisions of the Consent Order apply to JPMorgan Chase Bank, N.A., Columbus, Ohio and all its subsidiaries, even though those subsidiaries are not named as parties to the Consent Order.

(3) The Bank consents and agrees that the Consent Order shall be deemed an “order issued with the consent of the depository institution” pursuant to 12 U.S.C. § 1818(h)(2), will become effective upon its execution by the Comptroller through his authorized representative, and will be fully enforceable by the Comptroller pursuant to 12 U.S.C. § 1818(b).

(4) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(b), and not as

a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(5) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to consent to the issuance of the Consent Order and/or execute this Stipulation.

(6) The Bank expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department, the Comptroller, or any other federal bank regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(7) The Consent Order constitutes a settlement of the cease and desist proceeding against the Bank contemplated by the Comptroller, based on the unsafe or unsound practices described in the Comptroller's Findings set forth in Article I of the Consent Order related to FX Trading. The OCC releases and discharges the Bank and its subsidiaries from all potential liability for a cease and desist order that has been or might have been asserted by the OCC based on the practices described in the Comptroller's Findings related to FX Trading set forth in Article I of the Consent Order, to the extent known to the Comptroller as of the effective date of the Consent Order. Provided, however, that (i) except as otherwise specified in this paragraph, nothing in this Stipulation or the Consent Order shall prevent the Comptroller from instituting other enforcement actions against the Bank and its subsidiaries or any of its institution-affiliated parties based on the findings set forth in this Order, or any other findings, and (ii) nothing in this Stipulation or the Consent Order shall preclude or affect any right of the Comptroller to

determine and ensure compliance with the terms and provisions of this Stipulation or the Consent Order.

### ARTICLE III

#### WAIVERS

(1) The Bank, by executing this Stipulation and consenting to the Consent Order, waives:

- (a) Any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
- (b) Any and all procedural rights available in connection with the issuance of the Consent Order;
- (c) Any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. §§ 1818(b) and (h), and 12 C.F.R. Part 19;
- (d) Any and all rights to seek any type of administrative or judicial review of the Consent Order;
- (e) Any and all claims for fees, costs or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412;
- (f) Any and all rights to assert this proceeding, this Stipulation, consent to the issuance of the Consent Order, and/or the issuance of the Consent Order, as the basis for a claim of double jeopardy in any pending or future

proceeding brought by the United States Department of Justice or any other governmental entity; and

- (g) Any and all rights to challenge or contest the validity of the Consent Order.

#### ARTICLE IV

##### ELIGIBLE BANK – OTHER PROVISIONS

- (1) As a result of the Consent Order:
  - (a) The Bank is an “eligible bank” pursuant to 12 C.F.R. § 5.3(g)(4) for the purposes of 12 C.F.R. Part 5 regarding rules, policies and procedures for corporate activities, unless otherwise informed in writing by the Office of the Comptroller of the Currency (“OCC”);
  - (b) The Bank is not subject to the limitation of 12 C.F.R. § 5.51(c)(6)(ii) for the purposes of 12 C.F.R. § 5.51 requiring OCC approval of a change in directors and senior executive officers, unless otherwise informed in writing by the OCC;
  - (c) The Bank is not subject to the limitation on golden parachute and indemnification payments provided by 12 C.F.R. § 359.1(f)(1)(ii)(C) and 12 C.F.R. § 5.51(c)(6)(ii), unless otherwise informed in writing by the OCC;
  - (d) The Bank’s status as an “eligible bank” remains unchanged pursuant to 12 C.F.R. § 24.2(e)(4) for the purposes of 12 C.F.R. Part 24 regarding community and economic development, unless otherwise informed in writing by the OCC; and

- (e) The Consent Order shall not be construed to be a “written agreement, order, or capital directive” within the meaning of 12 C.F.R. § 6.4, unless the OCC informs the Bank otherwise in writing.

## ARTICLE V

### CLOSING

(1) The provisions of this Stipulation and the Consent Order shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, it deems it appropriate to do so to fulfill the responsibilities placed upon it by the several laws of the United States of America.

(2) Nothing in this Stipulation or the Consent Order shall preclude any proceedings brought by the Comptroller to enforce the terms of the Consent Order, and nothing in this Stipulation or the Consent Order constitutes, nor shall the Bank contend that it constitutes, a release, discharge, compromise, settlement, dismissal or resolution of any actions, or in any way affects any actions, that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(3) The terms of this Stipulation, including this paragraph, and of the Consent Order are not subject to amendment or modification by any extraneous expression, prior agreements or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of JPMorgan Chase Bank, N.A., Columbus, Ohio, have hereunto set their hands on behalf of the Bank.

/s/  
James S. Crown

11/11/14  
Date

/s/  
Laban P. Jackson, Jr.

11/11/14  
Date

/s/  
Marianne Lake

11/11/14  
Date

/s/  
William C. Weldon

11/11/14  
Date

/s/  
Matthew E. Zames

11/11/14  
Date

Accepted by:

THE COMPTROLLER OF THE CURRENCY

By: /s/  
Morris R. Morgan  
Deputy Comptroller  
Large Bank Supervision

11/11/14  
Date