STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
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January 11, 2010

JP Morgan Chase & Co.
c/o Andrew J. Ceresney, Esq.
Debevoise & Plimpton LLP
919 Third Avenue
New York, NY 10022

Re: Executive Compensation Investigation

Dear Mr. Ceresney:

As you know, the Office of the New York Attorney General has been conducting an inquiry into various aspects of executive compensation at many of our nation's largest financial institutions. Our inquiry has included a review of compensation practices at the original 2008 TARP-recipient banks.

Last year, this Office conducted a review of bonuses to allow the public, and the industry, an opportunity to review all relevant information concerning compensation practices. This year, both the amount of bonus packages and the construction of such packages is relevant information to our inquiry.

Pursuant to our ongoing inquiry, please provide this Office with a detailed accounting regarding executive compensation at your firm for 2009. In particular, it is vital that you immediately provide us with any and all information concerning your firm's bonus pool and distribution information for the 2009 year.

In particular, please provide this Office with the following information:

1. A description of all bonus pools for 2009, including a description of the process by which the pools were or will be established.

2. A description of your bonus program to include cash, stock and other incentive breakdowns, vesting periods, clawback provisions, and any other provisions to tie compensation to performance and/or the long-term health of your firm, as well as a description of how the 2009 bonus structures differ from 2008.

3. A description of the process by which the bonus pools were or will be allocated and distributed, including any documents reflecting discussion of the allocation and distribution process and the justification thereof.

4. A description of how, if at all, the calculation and plans for allocation of the bonus pools have changed as a result of your firm's receipt of TARP funds and/or your firm's repayment of TARP funds.

5. For the years 2007, 2008, and 2009, a description of the bonuses awarded to employees receiving more than $250,000 in compensation. For this request, please include the allocation between cash and non-cash compensation and please provide a listing by amount of the 200 top bonuses awarded by your firm.

6. For 2009, the total value of bonuses awarded;

7. A description of how your bonus pool would have been impacted had you not received TARP funding in 2008 and/or 2009.

8. A chart and description of your institution's rate and/or magnitude of lending over the last 3 years – 2007, 2008, and 2009. Please also include the relevant sizes of the businesses to which there has been lending.

9. For 2009, the number of employees who received any bonus with a value equal to or greater than (i) $1 million, (ii) $2 million and (iii) $3 million. "Bonus" includes cash, deferred cash, equity, options, restricted stock, performance or time vesting stock and performance priced options, restricted stock units, restricted stock award, stock appreciation right or any similar type of grant or award. Please include for each bonus the cash and non-cash allocation.

10. Identify all compensation consultants retained as part of the 2009 compensation process.

11. The number of employees employed at your firm on December 31, 2009.

We have copied the Board of Directors on this letter because we believe they should be involved in the response to our requests as the firm's top management likely has a significant interest in the compensation issues raised by our requests.

As we informed your firm last year, when you received TARP funding, your firm took on a new responsibility to taxpayers. While your firm has now paid the TARP money back, it is not clear that your firm would have been in the same position now had you not received that TARP money. Accordingly, we also ask that the Board inform us of the policies, procedures, and protections the Board has instituted that will ensure Board review of all such company expenditures going forward.

As recent government actions have created new issues of public accountability and as private sector financial institutions are grappling with the consequences of these actions, we believe the need for full disclosure and transparency are essential and this reporting will assist in that effort.

We ask that you provide the requested information by February 8, 2010.

Very truly yours,

Andrew M. Cuomo
Attorney General of the
State of New York

cc: Crandall C. Bowles
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