

**ADMINISTRATIVE PROCEEDING**  
**BEFORE THE**  
**SECURITIES COMMISSIONER OF SOUTH CAROLINA**

In the matter of

**J. P. MORGAN SECURITIES, LLC**

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**ADMINISTRATIVE CONSENT ORDER**

Respondent.

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WHEREAS, J. P. Morgan Securities, LLC ("JPMS") is a broker-dealer registered in the state of

[REDACTED]

I.  
STATEMENT OF FACTS

1. JPMS admits the jurisdiction of the Securities Commissioner in this matter.

Relevant JPMS Business Units

2. JPMS's legacy wealth management business unit was referred to as Private Bank within JPMS. A review of Private Bank SAs was included in the scope of this investigation.

3. In July of 2006, the legacy business unit of Bear Stearns Securities Corporation, then known as the

Private Wealth Management ("PWM") business unit, was operating in J.P. Morgan Securities Inc. the predecessor broker-dealer to JPMS. A review of PWM SAs was included in the scope of

this investigation.

4. In October 2008, the legacy business unit of Bear Stearns & Co. Inc. known as Private Client

9. Like Private Bank SAs, PWM SAs authorized to accept orders must comply with a 50 state

registration policy and compliance with this policy was confirmed prior to granting access to the order entry system.

*Private Wealth Management*

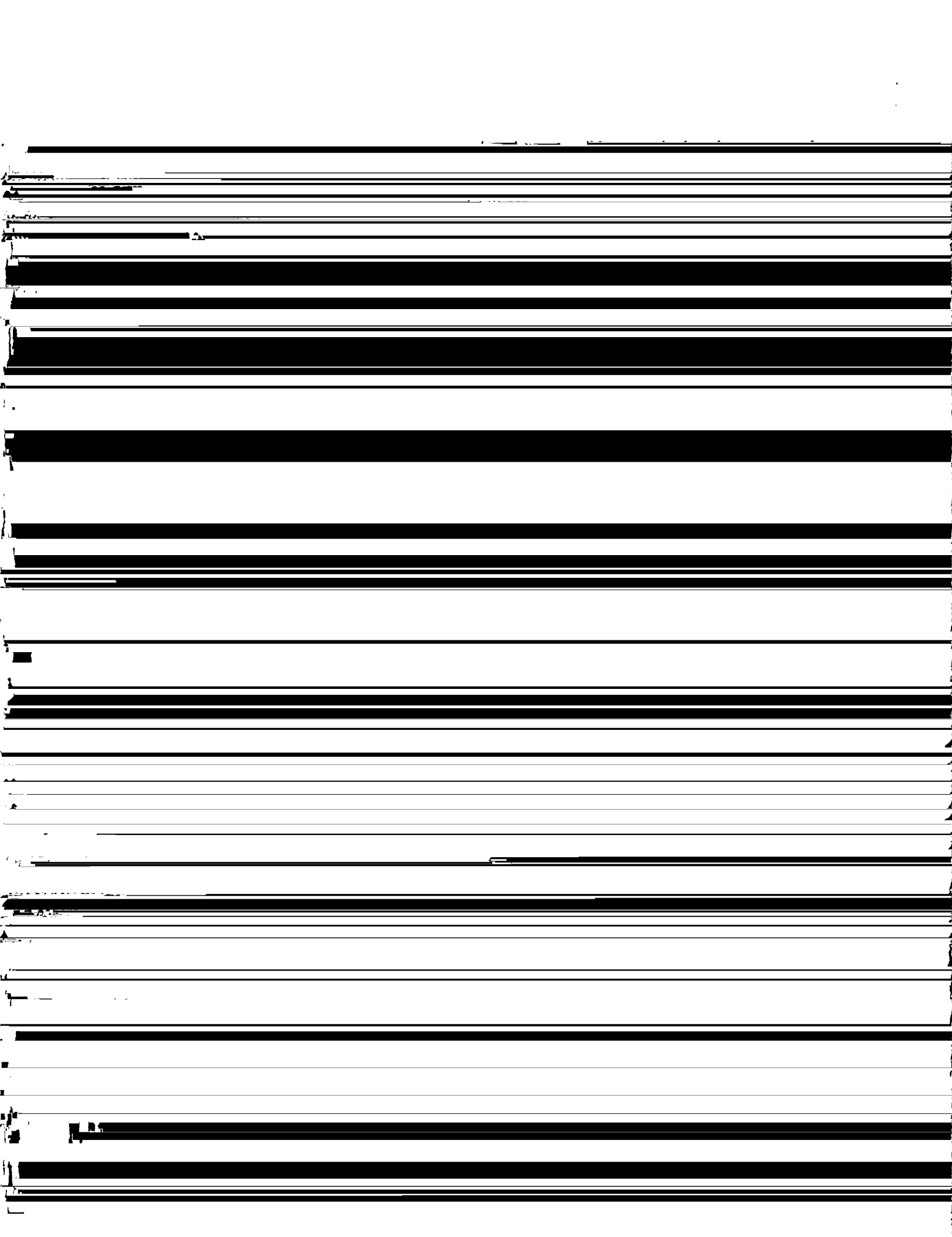
9. Like Private Bank SAs, PWM SAs were generally not assigned to specific brokers but rather assisted all brokers in the respective offices in which they were located.

Unlicensed Sales Assistants

16. Consistent with Private Bank's 50 state registration policy, the multi-state investigation did not find that Private Bank SAs accepted orders without appropriate state registrations.
17. However, the multi-state investigation concluded that certain SAs for PWM and PCS accepted unsolicited orders at times when the SAs were not appropriately registered in the State of South Carolina.

Failure to Comply with Books & Records Requirements

18. At all relevant times, Private Bank has utilized an order entry system called TOPAZ.
19. Prior to October of 2008, PWM utilized an order entry system called Streetscape. In connection with each order, Streetscape recorded, among other information, the identity of the person who accepted the order from the client. In October of 2008, PWM transferred from Streetscape to TOPAZ.
20. Prior to February of 2011, TOPAZ did not specifically record the identity of the order acceptor (as distinct from the order enterer) and JPMS did not in all instances maintain a separate record to identify the order acceptor for equity or mutual fund trades. Furthermore, prior to June of 2011, TOPAZ did not specifically record the identity of the order acceptor (as distinct from the order



5. JPMS's failures, in certain instances, to record the identity of the person accepting client orders entered through the TOPAZ system until June of 2011 constitute violations of South Carolina Regulation 13-405(A).

~~7. The Securities Commission finds that the violations described above constitute a basis for~~

the assessment of a civil penalty against JPMS.

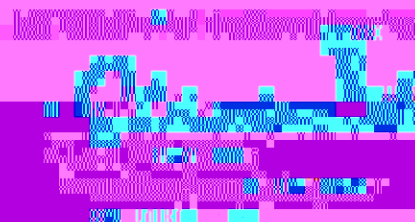
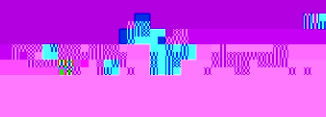
~~7. The Securities Commission finds the following relief appropriate and in the public interest~~

4. This Order is not intended to subject any person to subject to any disqualifications under the laws of the United States, any state, the District of Columbia, or

any other jurisdiction. This Order is not intended to subject any person to any disqualifications under the laws of the United States, any state, the District of Columbia, or any other jurisdiction. This Order is not intended to subject any person to any disqualifications under the laws of the United States, any state, the District of Columbia, or any other jurisdiction.

5. This Order is not intended to subject any person to any disqualifications under the laws of the United States, any state, the District of Columbia, or any other jurisdiction. This Order is not intended to subject any person to any disqualifications under the laws of the United States, any state, the District of Columbia, or any other jurisdiction.

6. This Order is not intended to subject any person to any disqualifications under the laws of the United States, any state, the District of Columbia, or any other jurisdiction.



Post Office Box 11549  
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(803) 739-4331

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Consent Order ("Order") has read the foregoing and is aware of its right to a hearing and can

in this matter, and has agreed to the same.

IPMS admits that it is a party to this Order.

of the issues contained in this Order.

IPMS agrees that it shall

and shall not be bound by the terms of this Order.

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