

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20041000011-01**

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: **J.P. Morgan Securities Inc.**, Respondent
Broker-Dealer
CRD No. 18718

Pursuant to NASD Rule 9216 of the FINRA Code of Procedure, J.P. Morgan Securities Inc. (the "firm" or "JPMS") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

JPMS has been a member of FINRA (formerly NASD) since April 23, 1987. The firm's registration remains in effect.

RELEVANT PRIOR DISCIPLINARY HISTORY

On August 29, 2006, a NYSE hearing board decision became final wherein JPMS was censured and fined \$400,000 for short sales violations including violations of SEC Rule 200(g) for failure to properly mark all sell orders as long, short or short exempt. On August 10, 2006, an AWC became final wherein JPMS was censured and fined \$45,000 for trade reporting violations and for violations of SEC Rule 605. On January 9, 2006, an AWC became final wherein JPMS was censured, required to

update its written supervisory procedures and fined \$115,000 for trade reporting, ACT reporting and supervision violations. On August 5, 2005, an AWC became final wherein JPMS was censured and fined \$100,000 for failing to comply with MSRB Rule G-36 in connection with the submission of offering statements to the MSRB and for failing to adequately monitor its underwriting filings in compliance with MSRB Rule G-27. On June 28, 2005, an AWC became final wherein JPMS was censured and fined \$160,000 for failing to timely report municipal securities transactions to the MSRB and for failing to monitor its trade reporting to ensure compliance with MSRB Rule G-14. On March 26, 2004, an AWC became final wherein JPMS was censured and fined \$15,000 for trade reporting violations.

SUMMARY

This matter arose out of the following reviews:

- 20041000011, wherein the Market Regulation Department staff (the "staff") reviewed the firm's compliance with the rules and regulations applicable to reporting short sales during the period June 2002 through October 2004. The staff also reviewed the firm's written supervisory procedures regarding short sale reporting that were in effect during the period June 2002 through October 2004.
- 20050021087, wherein the staff reviewed the firm's compliance with Order Audit Trail System ("OATS") reporting relating to out-of-sequence reporting during the period April 1, 2005 through June 30, 2005.
- 20050021749, wherein the staff reviewed the firm's compliance with Trade Reporting and Compliance Engine ("TRACE") trade reporting requirements for the period April 1, 2005 through June 30, 2005. The staff also reviewed the firm's written supervisory procedures that were in effect during the period April 1, 2005 through June 30, 2005.
- 20050024446, wherein the staff reviewed the firm's compliance with timeliness of OATS reporting during the period April 1, 2005 through June 30, 2005.

- 20050026993, wherein the staff reviewed the firm's compliance with trade reporting requirements during the period May 1, 2005 through August 31, 2005.
- 20050032243, wherein the staff reviewed the firm's compliance with best execution during the period April 1, 2005 through September 30, 2005.
- 20050035032, wherein the staff reviewed the firm's reporting of transactions in municipal securities during the period July 2002 through November 2005. The staff also reviewed the firm's written supervisory procedures for compliance with MSRB Rule G-14.
- 20060046912, the 2006 Trading and Market Making Surveillance Examination of the firm conducted by the staff, wherein the staff reviewed the items set forth on Exhibit A. Unless otherwise stated, the samples were from trade date March 7, 2006 ("2006 TMMS review period").
- 20060059941, wherein the staff reviewed the firm's reporting of transactions in municipal securities during the period April 1, 2006 through June 30, 2006. The staff also reviewed the firm's written supervisory procedures for compliance with MSRB Rule G-14.
- 20070080502, wherein the staff reviewed the firm's compliance with NASD Marketplace Rule 6130(b) during the period September 1, 2006 through December 31, 2006.

FACTS AND VIOLATIVE CONDUCT

20041000011

1. During the period June 2002 through October 2004, the firm executed numerous short sale transactions and failed to report each of these transactions to the Automated Confirmation Transaction Service ("ACT") with a short sale modifier due to a technology issue that inaccurately treated principal short sales as long sales. For example, from March 2004 through May 2004, the firm's average daily reported short sales to average reported volume ranged from 1.061% to 1.695%. Once the firm corrected the problem, the firm's average daily reported short sales to average reported volume increased to over 18% for the period November 1, 2004 through December 17, 2004. The conduct described in this

paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6130(d).

2. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of NASD, concerning short sale reporting. Specifically, the firm's supervisory system did not include written supervisory procedures providing for: (1) the identification of the person(s) responsible for supervision with respect to the applicable rules; (2) a statement of the supervisory step(s) to be taken by the identified person(s); (3) a statement as to how often such person(s) should take such step(s); and (4) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of NASD Conduct Rules 2110 and 3010.

20050021087

3. During the period April 1, 2005 through June 30, 2005, the firm submitted to OATS 19,779 New Order Reports and related subsequent reports where the timestamp for the related subsequent report occurred prior to the receipt of the order. Because of the inaccurate timestamps, the OATS system was unable to create an accurate, time-sequenced record from the receipt of the order through its resolution. These reports represented approximately two percent of related subsequent reports (1,151,441) that were reported to OATS by the firm. The conduct described in this paragraph constitutes separate and distinct violations of NASD Rule 6955(a).

20050021749

4. The firm failed to report to TRACE the correct contra-party's identifier for 746 transactions in TRACE-eligible securities. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6230(c)(6).
5. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of NASD, concerning TRACE trade reporting. Specifically, the firm's supervisory system did not include written supervisory procedures providing for: (1) the identification of the person(s) responsible for supervision with respect to the applicable rules; (2) a statement of the supervisory step(s) to be taken by the identified

person(s); (3) a statement as to how often such person(s) should take such step(s); and (4) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of NASD Conduct Rules 2110 and 3010.

20050024446

6. During the period April 1, 2005 through June 30, 2005, the firm failed to timely report to OATS 126,637 Reportable Order Events ("ROEs"). These late ROEs represented five percent of all ROEs (2,378,849) submitted by the firm to OATS during the review period. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6955(a).

20050026993

7. During the period May 1, 2005 through August 31, 2005, the firm failed, within 90 seconds after execution, to transmit to the OTC Reporting Facility four last sale reports of transactions in OTC Equity securities and failed to designate to the OTC Reporting Facility such last sale reports as late. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6620(a).
8. During the period May 1, 2005 through August 31, 2005, the firm failed, within 90 seconds after execution, to transmit to the OTC Reporting Facility 110 last sale reports of transactions in OTC Equity securities. These transactions constitute 15 percent of the transactions reviewed that the firm was required to report to the OTC Reporting Facility during the review period. The conduct described in this paragraph constitutes a pattern or practice of late reporting without exceptional circumstances in violation of NASD Conduct Rule 2110.

20050032243

9. During the period April 1, 2005 through September 30, 2005, in 47 instances reflected on Exhibit B, the firm failed to execute orders fully and promptly. The conduct described in this paragraph constitutes separate and distinct violations of NASD Conduct Rules 2110 and 2320.

20050035032

10. During the period July 1, 2002 through October 5, 2005, the firm failed to report to the Real-time Transaction Reporting System ("RTRS") 9,200 reports of transactions in municipal securities that it was required to report. These transactions represent approximately 3.5% of the transactions the firm was required to report in municipal securities during the period July 1, 2002 through October 5, 2005. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14.
11. During the period January 11, 2005 through November 14, 2007, the firm failed to report to the RTRS 765 reports of transactions in municipal securities that it was required to report. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14.
12. During the period October 6, 2005 through December 13, 2006, the firm improperly reported 3,055 transactions in municipal securities to the RTRS that it should not have. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-14.
13. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of MSRB, concerning trade reporting. Specifically, the firm's supervisory system did not include written supervisory procedures providing for: (1) a statement of the supervisory step(s) to be taken by the person(s) responsible for supervision with respect to the applicable rules; (2) a statement as to how often such person(s) should take such step(s); and (3) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of MSRB Rule G-27.

20060046912

14. During the 2006 TMMS review period, the firm failed to report to the Trade Reporting Facility the correct symbol indicating whether the transaction was a buy, sell, sell short, sell short exempt or cross for 127 transactions in Reportable Securities. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6130(d).
15. The firm failed to report to the Trade Reporting Facility the correct symbol indicating whether the firm executed 53 transactions in Reportable

Securities in a principal or agency capacity. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6130(d).

16. The firm failed to report the correct time of execution to the OTC Reporting Facility in one late, last sale report of a transaction in an OTC Equity security. The conduct described in this paragraph constitutes a violation of NASD Marketplace Rule 6620(a).
17. The firm failed on 30 occasions to provide written notification disclosing to its customer its correct capacity in the transaction. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 10b-10.
18. During the 2006 TMMS review period, the firm failed to submit required information to OATS and incorrectly submitted information to OATS. Specifically, the firm failed to submit 25 route reports to OATS. In seven instances, the firm failed to submit the route report and inaccurately submitted execution reports. In one instance, the firm incorrectly submitted a cancel report. These inaccurate and/or missing reports represented 33 percent of the sample of orders reviewed in the TMMS examination that the firm transmitted during the 2006 TMMS review period. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6955(a).
19. During the 2006 TMMS review period, the firm executed 12 sell orders and improperly marked the orders as short exempt. The conduct described in this paragraph constitutes separate and distinct violations of SEC Rule 200(g) of Regulation SHO.
20. The firm failed to submit to the Trade Reporting Facility, for the offsetting, "riskless" portion of two "riskless" principal transaction(s) in designated securities, either a clearing-only report with a capacity indicator of "riskless principal," or a non-tape, non-clearing report with a capacity indicator of "riskless principal." The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 4632(d).
21. In two instances, the firm incorrectly reported to the Trade Reporting Facility two principal transactions when each was partially a principal transaction and partially a riskless principal transaction. The firm failed to submit to the Trade Reporting Facility, for the offsetting, "riskless" portion of two "riskless" principal transaction(s) in designated securities, either a clearing-only report with a capacity indicator of "riskless principal," or a

non-tape, non-clearing report with a capacity indicator of "riskless principal." The firm failed to report the correct number of shares to the Trade Reporting Facility in two last sale reports of transactions in designated securities. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 4632.

22. The firm incorrectly reported to the Trade Reporting Facility the second leg of one "riskless" principal transaction(s) in designated securities because it incorrectly designated the capacity of such transaction(s) as "principal." The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 4632(d).
23. The firm's supervisory system did not provide for supervision reasonably designed to achieve compliance with respect to the applicable securities laws and regulations, and the Rules of NASD, concerning riskless principal trade reporting and best execution for transactions executed by the firm's program trading desk. Specifically, the firm's supervisory system did not include written supervisory procedures providing for: (1) the identification of the person(s) responsible for supervision with respect to the applicable rules; (2) a statement of the supervisory step(s) to be taken by the identified person(s); (3) a statement as to how often such person(s) should take such step(s); and (4) a statement as to how the completion of the step(s) included in the written supervisory procedures should be documented. The conduct described in this paragraph constitutes a violation of NASD Conduct Rules 2110 and 3010.

20060059941

24. During the period April 1, 2006 through June 30, 2006, on 144 occasions, the firm failed to provide written confirmation of a transaction disclosing to its customer the correct yield. The conduct described in this paragraph constitutes separate and distinct violations of MSRB Rule G-15(a)(i)(A)(5).

20070080502

25. During the period September 1, 2006 through December 31, 2006, the firm failed to accept or decline in the Trade Reporting Facility ("TRF") 220 transactions in Reportable Securities within twenty minutes after execution approximately nine percent of all transactions that the firm had an obligation to accept or decline in the TRF Reporting Facility as the OEID during the review period. The firm failed to accept or decline in the OTC Reporting Facility 64 transactions in Reportable Securities within twenty

minutes after execution approximately three percent of all transactions that the firm had an obligation to accept or decline in the OTC Reporting Facility as the OEID during the review period. The conduct described in this paragraph constitutes separate and distinct violations of NASD Marketplace Rule 6130(b) and a violation of NASD Conduct Rule 2110.

B. The firm also consents to the imposition of the following sanctions:

- A censure.
- A fine of \$185,000.
- Restitution by Respondent to the investors listed on Exhibit B hereto in the total amount of \$299.00, plus interest at the rate set forth in Section 6621(a) of the Internal Revenue Code, 26 U.S.C. 6621(a)(2), from the date of the violative conduct until the date this Letter of Acceptance, Waiver and Consent is accepted by the National Adjudicatory Council. A registered principal of the firm shall submit satisfactory proof of payment of the restitution, or of reasonable and documented efforts undertaken to effect restitution, to the COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850 no later than 120 days after acceptance of this Letter of Acceptance, Waiver and Consent. If for any reason, Respondent cannot locate any customer after reasonable and documented efforts within such period, or such additional period agreed to by the staff, Respondent shall forward any undistributed restitution and interest to the appropriate escheat, unclaimed-property or abandoned-property fund for the state in which the customer last resided.
- An undertaking to revise the firm's written supervisory procedures with respect to the areas described in paragraphs 2, 5, 13 and 23. Within 30 business days of acceptance of this AWC by the NAC, a registered principal of the Respondent shall submit to the **COMPLIANCE ASSISTANT, LEGAL SECTION, MARKET REGULATION DEPARTMENT, 9509 KEY WEST AVENUE, ROCKVILLE, MD 20850**, a signed, dated letter, providing the following information: (1) a reference to this matter; (2) a representation that the firm has revised its written supervisory procedures to address the deficiencies described in paragraphs 2, 5, 13 and 23; and, (3) the date the revised procedures were implemented.

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Formal Complaint issued specifying the allegations against the firm;
- B. To be notified of the Formal Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of NASD Rule 9143 or the separation of functions prohibitions of NASD Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to NASD Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
 - 1. this AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the firm's disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with NASD Rule 8310 and IM-8310-3; and
 - 4. The firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The firm may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.**

The firm certifies that it has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

04/01/08
Date

Respondent
J.P. Morgan Securities Inc.

J.P. Morgan Securities Inc.

By: Charles Allen

Name: Carlos Hernandez

Title: Chief Executive Officer

Reviewed by:

Counsel for Respondent

Accepted by FINRA:

4/23/08
Date

Signed on behalf of the
Director of ODA, by delegated authority


Thomas R. Gira
Executive Vice President
Department of Market Regulation

Exhibit A**J.P. Morgan Securities Inc. ("JPMS")
Exam No.: 20060046912**

<u>Sample Size</u>	<u>Review Area</u>	<u>Sample Source</u>
208	customer and proprietary sale transactions, for compliance with SEC Rules 200(g) and/or 203(b),	from trade date March 7, 2006
380	customer and proprietary sales, for compliance with NASD Rule 6130,	from trade date March 7, 2006
0	short sale in NNM securities, for compliance with NASD Rule 3350,	from trade date March 7, 2006
2	short sale in CQS securities, for compliance with SEC Rule 10a-1,	from trade date March 7, 2006
8	cancelled trades for compliance with NASD Rules 4632(g), 4642(g), 4652(g), 6130(f), 6420(f), and 6620(f),	from trade date March 7, 2006
24	limit and market orders executed as principal, for compliance with NASD Rules 2110 (and IM-2110-2), 2111, 6541 and 2320, and SEC Rules 602 and 604,	from trade date March 7, 2006
9	"non displayed" limit orders and 0 marketable orders in the same securities received while holding the "non-displayed" orders, for compliance with NASD Rule 2320,	from trade date March 7, 2006
10	not held customer market orders, for compliance with NASD Rule 2320,	from trade date March 7, 2006
24	limit and market orders and 153 trades executed in a principal or riskless principal capacity, for compliance with capacity reporting under NASD Trade Reporting and ACT rules,	from trade date March 7, 2006
6	orders for Nasdaq securities in soft dollar accounts and 50 related executions, for compliance with trade reporting rules and the safe harbor limitations of SEC section 28(e),	from trade date March 7, 2006
0	open buy limit orders and 0 stop sell limit orders in securities traded ex-dividend, for compliance with NASD Rule 3220,	from trade date March 7, 2006
N/A	trades reported and modified through a mixed capacity regulatory report, for compliance with NASD Rule 6130,	from trade date March 7, 2006

Exhibit A

**J.P. Morgan Securities Inc. ("JPMS")
Exam No.: 20060046912**

<u>Sample Size</u>	<u>Review Area</u>	<u>Sample Source</u>
N/A	trades in NNM or SC securities reported with a .PRP modifier, for compliance with NASD Rules 4632 and 2320,	from trade date March 7, 2006
27	orders in securities for which the firm was a market center, for compliance with the order size/type classification requirements of SEC Rule 605,	from trade date March 7, 2006
30	security/size/order data statistics published on the firm's monthly order execution report, for compliance with SEC Rule 605,	from the month of January, 2006.
N/A	data published on the firm's quarterly order routing report, for compliance with SEC Rule 606,	from the report 1 st Qtr, 2006
3	customer orders in OTCBB and OTC equity securities, for compliance with NASD Rules 3110(b) and 2320,	from trade date March 7, 2006
35	persons engaged in the firm's trading and market making activities, for compliance with NASD Registration rules,	from trading staff in
100	orders in NNM or SC securities submitted to OATS, for compliance with NASD Rule 6955,	from trade date March 7, 2006
394	order/trade records prepared and maintained in connection with the above samples, for general compliance with NASD Rule 3110 and SEC Rules 17a-3 and 17a-4,	from trade date March 7, 2006
594	trades reported to ACT or TRACS in connection with the above samples, for general compliance with NASD Trade Reporting and ACT rules,	from trade date March 7, 2006
119	customer trade confirmations reviewed in connection with the above samples, for compliance with SEC Rule 10b-10,	from trade date March 7, 2006
N/A	the firm's establishment and implementation of "regular & rigorous" reviews of the execution quality of orders sent to other market centers and internalized, for compliance with NASD Rules 2320 and 3010,	based on WSPs in effect during March, 2006
N/A	the firm's establishment and implementation of a supervisory system and written supervisory procedures, for compliance with NASD Rule 3010,	based on WSPs in effect during March, 2006

Order Information									Trade Information									
Item	Original Item Number	Order Trade Date	Order To Buy/Sell	Order Quantity	Issue	Order Receipt Time	Inside Bid At Receipt	Inside Ask At Receipt		Firm	Capacity	Trade To B/S/X	Executed Quantity	Execution Price	Execution Time	Contra Firm	Restitution Calculation	Restitution Due
1	1	4/19/2005	S	1000	ACAS	15:46:47	31.87	31.88		JPMS	P	B	200	31.85	15:48:07		None Due	
2	2	4/25/2005	S	425	PCGI	12:45:52	5.88	5.9		JPMS	P	B	25	5.87	12:48:53		None Due	
3	3	4/28/2005	S	1000	MYOG	12:23:37	8.98	7.01		JPMS	R	B	100	6.95	12:28:12		100 x \$0.04	\$4.00
4	4	5/18/2005	B	780	MSFT	7:11:02	25.75	25.76		JPMS	A	S	780	25.79	8:32:35		None Due	
5	7	5/31/2005	S	669	NXTL	8:44:08	28.84	29.85		JPMS	A	B	669	29.75	9:33:18		None Due	
6	8	6/20/2005	S	500	INCY	10:05:11	76.88	76.91		JPMS	P	B	218	76.48	10:06:50		218 x \$0.28	\$63.22
7	10	6/20/2005	B	1000	PETCE	9:33:30	32.32	32.48		JPMS	P	S	350	32.52	9:35:22		50 x \$0.13	\$6.50
8	11	7/15/2005	S	800	KERX	9:39:52	15.11	15.12		JPMS	R	B	100	15.05	9:40:41		100 x \$0.02	\$2.00
9	12	7/21/2005	S	2000	LAVA	11:18:09	9.31	9.34		JPMS	P	B	1100	9.31	11:19:31		100 x \$0.01	\$1.00
10	14	7/28/2005	B	1000	WFMI	14:37:40	120.27	120.28		JPMS	R	S	261	120.34	14:40:28		100 x \$0.08 300 x \$0.02 200 x \$0.01	\$14.00
11	16	7/29/2005	S	1750	RFMD	10:28:35	6.07	6.08		JPMS	P	B	750	6.07	10:30:47		None Due	
12	18	8/1/2005	B	1500	COST	14:39:13	45.75	45.77		JPMS	P	S	500	45.77	14:44:53		500 x \$0.01	\$5.00
13	17	8/1/2005	S	1500	RFMD	12:53:22	6.12	6.13		JPMS	R	B	300	6.12	12:55:00		None Due	
14	18	8/1/2005	S	4000	SOBA	11:12:47	11.73	11.74		JPMS	R	B	400	11.73	11:14:14		None Due	
15	19	8/3/2005	S	2500	UEPS	11:38:04	25.31	25.4		JPMS	P	B	1500	25.31	11:39:15		None Due	
16	20	8/5/2005	S	75	ASPM	15:54:03	31.57	31.87		JPMS	R	B	75	31.56	15:54:44		75 x \$0.03	\$2.25
17	29	8/12/2005	S	480	AMHC	11:39:32	42.54	42.59		JPMS	R	B	180	42.48	11:40:13		100 x \$0.05	\$5.00
18	30	8/12/2005	S	1250	RFMD	15:22:33	5.78	5.79		JPMS	P	B	250	5.78	15:25:05		None Due	
19	31	8/12/2005	S	4071	UEPS	12:43:47	26.3	26.31		JPMS	P	B	4071	26.17	12:56:07		100 x \$0.13 200 x \$0.08	\$28.00
20	34	8/17/2005	B	300	ADBE	8:18:33	26.18	26.23		JPMS	R	S	300	26.25	9:30:38		None Due	
21	36	8/17/2005	B	3725	ADBE	15:27:03	28.82	28.83		JPMS	R	S	425	28.84	15:28:28		2725 x \$0.01	\$27.25
22	37	8/19/2005	S	4000	RUTX	8:22:48	13.9	14.15		JPMS	P	B	3000	13.9	9:31:12		None Due	
23	38	8/24/2005	S	1000	NINE	11:55:08	5.17	5.18		JPMS	R	B	500	5.17	11:57:57		None Due	
24	39	8/24/2005	B	2000	SHFL	14:37:04	25.1	25.12		JPMS	R	S	56	25.13	14:38:15		None Due	

Order Information									Trade Information									
Item	Original Item Number	Order Trade Date	Order To Buy/Sell	Order Quantity	Issue	Order Receipt Time	Inside Bid At Receipt	Inside Ask At Receipt		Firm	Capacity	Trade To B/S/X	Executed Quantity	Execution Price	Execution Time	Contra Firm	Restitution Calculation	Restitution Due
26	40	8/25/2005	B	2730	PTMK	11:34:54	11.08	11.09		JPMS	P	S	1730	11.1	11:36:38		None Due	
26	41	8/25/2005	S	2000	RFMD	14:24:29	6.93	6.94		JPMS	R	B	422	6.93	14:26:10		None Due	
27	42	8/29/2005	B	2000	FTTB	11:05:42	41.45	41.47		JPMS	R	S	936	41.47	11:06:59		1000 x \$0.01	\$10.00
28	43	9/2/2005	B	4000	AMZN	9:37:50	41.78	41.8		JPMS	R	S	175	41.81	9:39:03		100 x \$0.03 900 x \$0.02 400 x \$0.01	\$25.00
29	44	9/2/2005	B	2375	TROW	10:26:07	62.97	63.03		JPMS	R	S	178	63.05	10:27:07		None Due	
30	45	9/8/2005	B	2600	VLNC	10:17:35	2.89	2.9		JPMS	R	S	100	2.9	10:18:44		None Due	
31	46	9/7/2005	S	1782	AINV	9:34:32	19.25	19.34		JPMS	R	B	100	19.22	9:37:11		None Due	
32	47	9/8/2005	S	900	KYPH	11:06:19	43.71	43.76		JPMS	P	B	200	43.7	11:07:04		None Due	
33	48	9/9/2005	S	2000	ADCT	11:54:13	21.38	21.4		JPMS	R	B	166	21.37	11:56:10		466 x \$0.01	\$4.66
34	49	9/12/2005	S	5000	AINV	13:29:20	19.46	19.49		JPMS	P	B	900	19.43	13:35:04		1,200 x \$0.03 100 x \$0.02	\$38.00
35	50	9/13/2005	S	5000	ACAS	10:06:04	37.12	37.14		JPMS	P	B	3000	37.11	10:08:34		3,000 x \$0.01	\$30.00
36	51	9/15/2005	S	5000	ACAS	14:37:03	37.11	37.12		JPMS	P	B	4000	37.11	14:38:20		None Due	
37	52	9/15/2005	S	5000	ACAS	15:30:00	37.05	37.07		JPMS	P	B	2500	37.01	15:33:17		None Due	
38	53	9/15/2005	S	3000	ODSY	10:53:49	17.18	17.19		JPMS	R	B	82	17.18	10:58:10		500 x \$0.01	\$5.00
39	54	9/16/2005	S	2200	TECD	12:57:16	36.16	36.2		JPMS	R	B	100	36.16	12:59:51		None Due	
40	55	9/19/2005	B	4020	BEAS	15:01:57	8.96	8.97		JPMS	R	S	506	8.97	15:03:53		None Due	
41	56	9/23/2005	B	2390	VLTR	11:17:31	13.5	13.53		JPMS	R	S	90	13.59	11:22:12		100 x \$0.08 100 x \$0.06	\$14.00
42	57	9/26/2005	B	3000	AINV	11:18:23	20.11	20.15		JPMS	R	S	100	20.16	11:18:23		None Due	
43	58	9/28/2005	S	4000	ENER	15:42:31	40.21	40.27		JPMS	R	B	100	40.12	15:44:13		None Due	
44	59	9/28/2005	S	500	ITRN	10:46:22	13.51	13.2		JPMS	R	B	300	13.42	11:01:11		None Due	
45	60	9/28/2005	B	1500	UNFI	11:35:57	35.2	35.28		JPMS	R	S	12	35.35	11:38:26		100 x \$0.08 88 x \$0.06 12 x \$0.06	\$13.12
46	63	9/29/2005	S	2000	ITRN	12:32:56	13	13.17		JPMS	R	B	1000	13	12:34:00		None Due	
47	64	9/29/2005	B	5000	ORCL	14:28:47	12.2	12.21		JPMS	P	S	4000	12.21	14:31:50		None Due	