

Important Information Regarding Auction Rate Securities (ARS). ARS are debt or preferred securities with an interest or dividend rate reset periodically in an auction. Although there may be daily, weekly and monthly resets, there is no guarantee that there will be liquidity. If there are not enough bids at an auction to redeem the securities available for sale, the result may be a failed auction. In a failed auction, there is no assurance that a secondary market will develop or that the security will trade at par or any other price reflected on statements. Accordingly, investors should not rely on pricing information appearing in their statements with respect to ARS.

You should have received separate confirmations for each securities transaction. All transactions are subject to the terms and conditions stated on the reverse side of such confirmations and are subject to the constitution, by-laws, customs and interpretations of the marketplace where executed and governed by and construed in accordance with the laws of the State of New York and all applicable federal laws and regulations. Further information with respect to commissions and other charges related to the execution of transactions, including options transactions, has been included in confirmations that were previously furnished to you. Upon written request, JPMSI will promptly supply you with the latest such information.

Shareholders of certain JPMorgan Funds are charged a redemption fee equal to 2% of the proceeds if they exchange or redeem shares of such funds within 60 days of purchase, subject to certain exceptions set forth in the prospectus of the applicable Fund. Please consult your J.P. Morgan representative for a list of the JPMorgan Funds that impose redemption fees.

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Bank products and services are offered through JPMCB and its affiliates. Securities are offered by JPMSI and, to the extent noted above, cleared through JPMCC.

If a partial call is made with respect to an issue of securities included in your Account we will allocate the call by a method we deem fair and equitable.

You must promptly advise JPMSI of material changes in your investment objectives or financial situation. Unless you inform JPMSI otherwise, JPMSI will consider the information currently in its files to be complete and accurate.

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- (1) Are not insured by the Federal Deposit Insurance Corporation, or any other governmental agency;
- (2) Are not deposits or other obligations of JPMSI's bank or thrift affiliates (unless otherwise indicated), and are not guaranteed by or the responsibility of any such affiliates (unless explicitly stated otherwise); and
- (3) Involve investment risks, including possible loss of the principal invested.

JPMSI's banking affiliates may be lenders to issuers of securities that JPMSI underwrites, in which case proceeds of offerings underwritten by JPMSI may be used for the repayment of such loans, and you should refer to the disclosure documents relating to particular securities for discussion of any such lending relationships. The Federal Reserve requires that JPMSI obtain your consent before it can obtain certain information from its bank or thrift affiliates, including their credit evaluation of you. We will assume that your continuing to transact business with JPMSI will constitute your consent to the sharing of such information by JPMSI and its bank or thrift affiliates, to the extent permitted by law.

DEPOSITS IN FOREIGN BRANCHES ARE NOT INSURED BY THE FDIC, THE FEDERAL RESERVE BOARD OR ANY OTHER GOVERNMENTAL AGENCY; AMOUNTS IN THE TIME DEPOSITS DO NOT HAVE THE BENEFIT OF ANY DOMESTIC PREFERENCE APPLICABLE TO U.S. BANKS.