SECURITIES AND EXCHANGE COMMISSION

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DIVISION OF MARKET REGULATION **FACING PAGE**

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EPORT FOR THE PERIOD BEGINNING	MM/DD/YY	AND ENDI	NG: /	MM/DI	/ <u>/</u> //YY
A. REGI	STRANT IDENTIFIC	ATION			
AME OF BROKER-DEALER: J.P. Marg	on Securities Inc.	sel Subsi	Juries	OFFICI	AL USE ONI
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)			FIF	FIRM I.D. NO.	
	(No and Same)				
	(No. and Street)			,	
(City)	(State)		(2	ip Code)	-
ME AND TELEPHONE NUMBER OF PER					
			((Area Code -	Telephone Num
B. ACCO	OUNTANT IDENTIFIC	CATION	((Area Code -	Telephone Num
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Pricewater house		this Report*		(Area Code →	Telephone Num
Pricewater pouse	nose opinion is contained in	this Report*	(State)	(Area Code →	Telephone Num (Zip Code)
DEPENDENT PUBLIC ACCOUNTANT WHE	nose opinion is contained in	this Report*		(Area Code →	
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DEPENDENT PUBLIC ACCOUNTANT who price water house (nose opinion is contained in	this Report*		(Area Code →	
(Address) HECK ONE:	nose opinion is contained in COPES LLP Name If individual, state last, fit (City)	this Report*		(Area Code →	

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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PricewaterhouseCoopers LLP
PricewaterhouseCoopers Center
300 Madison Avenue
New York NY 10017
Telephone (646) 471 3000
Facsimile (813) 286 6000

SEC Mail Processing Section

MAK 02 2010

Report of Independent Accountants

To the Board of Directors and Stockholder of J.P. Morgan Securities Inc. and Subsidiaries:

Washington, DC 107

In accordance with Rule 17a-5(e)(4) of the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Transitional Assessment Reconciliation (Form SIPC-7T) of the Securities Investor Protection Corporation (SIPC) of J.P. Morgan Securities Inc. and Subsidiaries for the period from April 1, 2009 through December 31, 2009, which were agreed to by J.P. Morgan Securities Inc. and Subsidiaries, the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation (collectively, the "specified parties") solely to assist the specified parties in evaluating J.P. Morgan Securities Inc. and Subsidiaries' compliance with the applicable instructions of Form SIPC-7T during the period ended December 31, 2009. Management is responsible for J.P. Morgan Securities Inc. and Subsidiaries' compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

- 1. Compared the listed assessment payments on page 1, items 2B and 2F of Form SIPC-7T with the respective cash disbursement records entries, as follows:
 - a. Payments of \$6,897,802 as shown on line 2B as follows:
 - i. \$150 to check number # 1161 dated May 5, 2009, noting a \$7 difference due to interest paid as a result of late payment.
 - ii. \$6,897,652 to cash disbursement from checking account #645475633 dated July 31, 2009, noting no difference.
 - b. Payment of \$11,773,322 as shown on 2F to cash disbursement from checking account #645475633 dated February 26, 2010, noting no difference.
- 2. Compared the Overpayment carried forward amount of \$51,980, as shown on 2H, with the difference between the Paid with this form amount of \$11,773,322, as shown on 2G, and the Total assessment balance and interest due (or overpayment carried forward) amount of \$11,721,342, as shown on 2F, noting no difference.
- 3. Compared the Total Consolidated Revenue amount of \$13,178,365,000 reported on the audited Form X-17A-5 for the year ended December 31, 2009,
 - less the revenues of \$1,443,201,000 reported on the audited Form x-17A-5 for the Company's subsidiary J.P. Morgan Clearing Corp. for the year ended December 31, 2009;

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- b. plus elimination entries of \$29,939,836, as agreed to the client prepared schedule "Related Parties Disclosure". The "Consolidated" column of this schedule agrees to note "14. Related Parties" of the consolidated financial statements of J.P. Morgan Securities Inc. and Subsidiaries;
- c. less \$170,169,285 of the Company's interest which is netted for focus reporting but reported gross on the audited financial statements for the period April 1, 2009 through December 31, 2009, as agreed to the general ledger;
- d. less \$106,910,364 of the Company's interest which is netted for focus reporting but reported gross on the audited financial statements for the period January 1, 2009 through March 31, 2009, as agreed to the general ledger;
- e. less \$71,771,280 of the Company's internal cost allocation for the period from January 1, 2009 through March 31, 2009, as agreed to the general ledger;
- f. less \$12,591,550 of the Company's income attribution for the period of January 1, 2009 through March 31, 2009, as agreed to the general ledger;
- g. less the Company's total revenue of \$2,763,778,477 reported on the FOCUS Report, code 4030, for the period from January 1, 2009 to March 31, 2009;

with the total revenue amount of \$8,639,760,122 reported on page 2, item 2a of Form SIPC-7T for the period from April 1, 2009 through December 31, 2009, noting a difference of \$122,758.

- 4. Compared any adjustments reported on page 2, items 2(b) and 2(c) of Form SIPC-7T with the supporting schedules and working papers, as follows:
 - a. Compared additions on line 4, interest and dividend expenses deducted in determining total revenue, of \$170,169,285 to general ledger for the period from April 1, 2009 through December 31, 2009, noting no difference.
 - b. Compared deductions on line 3, commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions, of \$59,118,825 to the sum of balances shown on the Company's FOCUS Reports, codes 4055 and 4145, for the three month periods ended June 30, 2009, September 30, 2009 and December 31, 2009, noting no difference.
 - c. Compared deductions on line 8, other revenue not related either directly or indirectly to the securities business, of \$618,683,153 to the general ledger, noting no difference.
 - d. Compared deductions on line 9(i), total interest expense and dividend expense but not in excess of total interest and dividend income, of \$684,469,711 to the sum of the balances shown on the Company's FOCUS Reports, code 4075, for the three month periods ended June 30, 2009, September 30, 2009 and December 31, 2009 and line 2(b)(4) of \$170,160,285, noting no difference.
 - e. Compared deductions on line 9(ii), 40% of interest earned on customers' securities accounts, of \$35,983,855 to 40% of the sum of the balances shown on the Company's FOCUS Reports, code 3960, for the three month periods ended June 30, 2009, September 30, 2009 and December 31, 2009, noting no difference.
- 5. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7T and in the related schedules and working papers obtained in procedure 4, as follows:
 - Recalculated the mathematical accuracy of Total additions of \$170,169,285 reported on page 2, noting no differences.
 - b. Recalculated the mathematical accuracy of Total deductions of \$1,362,271,689 reported on page 2, noting no differences.
 - c. Recalculated the mathematical accuracy of the SIPC Net Operating Revenues of \$7,447,657,718 reported on page 2, line 2(d), noting no differences.
 - d. Recalculated the mathematical accuracy of the General Assessment @ .0025 of \$18,619,144 reported on page 2, line 2(e), noting no differences.



We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Company's preparation of Form SIPC 7-T in accordance with the applicable instructions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and the board of directors of J.P. Morgan Securities Inc. and Subsidiaries, the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc., and the Securities Investor Protection Corporation and is not intended to be and should not be used by anyone other than these specified parties.

PricumterhouseCoopers LLP

March 1, 2010

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SIPC-71

(29-REV 12/09)

SECURITIES INVESTOR PROTECTION CORPORATION
805 15th Sony Market le Bolt Washington, D.C. 20005-2215
202-371-8300

Transitional Assessment Reconciliation

(Read carefully the Instructions in your Working Copy before completing this Form)

(29-REV 12/09)

	TO BE FILED BY ALL SIPC ME	MBERS WITH FISCAL YEAR E	NDINGS	_
1. pur	lame of Member, address, Designated Examining Authority poses of the audit requirement of SEC Rule 17a-5:	r, 1934 Act registration no. and mo		
•	035008 FINRA DEC J P MORGAN SECURITIES INC 5*5 ATTN: JIM COLLINS FRNT 2	Note: if any of the information requires correction, please e-n form@sipc.org and so indicate	nail any corrections to	とにという
	1 CHASE MANHATTAN PLZ NEW YORK, NY 10005-1401	Name and telephone number o respecting this form.	f person to contact	7
		James M. Collins (2	212) 552–9886	
2.	A. General Assessment [Item 2e from page 2 (not less tha		\$ 18,619,144 , 6,897,802	
	B. Less payment made with SIPC-6 filed including \$150 paid July 31, 2009 Date Paid	with 2009 SIPC-4 (exclude interest)	()	
	C. Less prior overpayment applied		()	
	D. Assessment balance due or (overpayment)		11,721,342	
	E. Interest computed on late payment (see instruction E)	fordays at 20% per annum		
	F. Total assessment balance and interest due (or overpay	yment carried forward)	\$ 11,721,342 SEO	
	G. PAID via wiretransfer (2/26/2010)		Mail Processing Section	j
	and the second	ş <u>11,773,322</u>	MAU () 0 2040	
	H. Overpayment carried forward	\$(51.980) MAK 02 2010	1
3,	Subsidiaries (S) and predecessors (P) included in this form	n (give name and 1934 Act registra	tion number): Washington, Do	2
pe th	e SIPC member submitting this form and the reson by whom it is executed represent thereby at all information contained herein is true, correct domplete.	for M. Colle	Anership or other organization)	
Da	ted the lst day of March 20 10	Chief Financial		
	is form and the assessment payment is due 60 days after		(Title)	
fo	a period of not less than 6 years, the latest 2 years in	an easily accessible place.		
CIPC REVIEWER !	Dates: Postmarked Received Review	wed		
FVIE	Calculations Docum	nentation	Forward Copy	
JC B	Exceptions:			
7	Disposition of exceptions:	4		

DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

		Amounts for the fiscal period beginning April 1, 2009 and ending Dec 31, 209
item No. 2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)		§8,639,760,122
 Additions: (1) Total revenues from the securities business of subsidiaries (epirodecessors not included above. 	except foreign subsidiaries) and	
(2) Net loss from principal transactions in securities in trading ac	counts.	
(3) Net loss from principal transactions in commodities in trading	accounts.	
(4) interest and dividend expense deducted in determining item 2	a.	170,169,285
(5) Net loss from management of or participation in the underwrit	ing or distribution of securities.	
(6) Expenses other than advertising, printing, registration fees an profit from management of or participation in underwriting or	nd legal fees deducted in determining not	
(7) Net loss from securities in Investment accounts.		
Total additions		170,169,285
2c. Deductions: (1) Revenues from the distribution of shares of a registered open investment trust, from the sale of variable annuitles, from the advisory services rendered to registered investment companie accounts, and from transactions in security futures products.	business of insurance, from investment	
. (2) Revenues from commodity transactions.		
(3) Commissions, floor brokerage and clearance paid to other SIP securities transactions.	C members in connection with	59,118,825
(4) Reimbursements for postage in connection with proxy solicitat	lion.	
(5) Net gain from securities in investment accounts.		
(6) 100% of commissions and markups earned from transactions in (ii) Treasury bills, bankers acceptances or commercial paper from Issuance date.	n (I) certificates of deposit and that mature nine months or less	
(7) Direct expenses of printing advertising and legal fees incurred related to the securities business (revenue defined by Section	f in connection with other revenue n 16(9)(L) of the Act).	
(8) Other revenue not related either directly or indirectly to the se (See Instruction C);		
Loan Syndication Fees, Internal Co	osts Recoveries	618,683,153
(9) (I) Total interest and dividend expense (FOCUS Line 22/PART Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.	IIA Line 13, \$ 684,469,711	
(ii) 40% of interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).	\$_35,983,855	
Enter the greater of line (i) or (ii)		684,469,711
Total deductions		1,362,271,689
d. SIPC Net Operating Revenues	\$7,447,657,718	
e. General Assessment @ .0025	;	18,619,144
	2	(to page 1 but not less than \$150 minimum)