

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA	:	
DEPARTMENT OF BANKING AND	:	
SECURITIES, BUREAU OF SECURITIES	:	
COMPLIANCE AND EXAMINATIONS	:	DOCKET No. 240031 (SEC-CAO)
	:	
v.	:	
	:	
J.P. MORGAN PRIVATE WEALTH	:	
ADVISORS, LLC	:	
	:	
	:	

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Bureau of Securities Compliance and Examinations (“Bureau”), has conducted an investigation of the business practices of J.P. Morgan Private Wealth Advisors, LLC (“JPMPWA”) and its officers and employees. Based on the results of its investigation, the Bureau has concluded that JPMPWA has operated in violation of the Pennsylvania Securities Act of 1972, 70 P.S. § 1-101 *et seq.* (“1972 Act”). JPMPWA, in lieu of litigation, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agrees to the terms of this Consent Agreement and Order (“Order”).

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the 1972 Act.
2. The Bureau is primarily responsible for administering and enforcing the 1972 Act for the Department.

3. JPMPWA (CRD # 108559) is a Delaware limited liability company with an address at 111 Pine Street, San Francisco, CA 94111.

4. From February 1999 through the present, JPMPWA, formerly known as First Republic Investment Management, Inc. (“FRIM”) until October 2023, has been registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”) under Section 203(c) of the Investment Advisers Act of 1940 and is a “federally covered adviser” as defined under Section 102(f.1) of the 1972 Act, 70 P.S. § 1-102(f.1).

5. From December 1990 through the present, JPMPWA, formerly known as FRIM until October 2023, has been Notice Filed in Pennsylvania as an investment adviser pursuant to Section 301(f) of the 1972 Act, 70 P.S. § 1- 301(f).

6. In July 2023, following JPMorgan Chase’s acquisition and assumption of certain assets and liabilities of First Republic Bank and its affiliates (“First Republic”), JPMorgan Chase hired certain former employees of First Republic, including one investment adviser representative in Pennsylvania whose Pennsylvania registration had been withdrawn by FRIM in 2021.

7. From July 2023 until January 2024, JPMPWA failed to register at least one former FRIM employee as an investment adviser representative in Pennsylvania.

VIOLATION

8. By engaging in the acts and conduct set forth in paragraphs 4 through 5 and paragraph 7 above, JPMPWA employed at least one unregistered investment adviser in violation of Section 301(c.1)(1)(ii) of the 1972 Act, 70 P.S. § 1-301(c.1)(1)(ii).

RELIEF

9. Within 30 days of the Effective Date of this Order, as defined in paragraph 18, JPMPWA shall pay the Department an administrative assessment in the amount of \$20,000.00.

10. Payment shall be made by certified check or money order made payable to the

“Department of Banking and Securities” and shall be mailed or delivered in person to the Bureau of Securities Compliance and Examinations located at 17 N. Second Street, Suite 1300, Harrisburg, Pennsylvania 17101.

11. JPMPWA is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 301(c.1)(1)(ii) of the 1972 Act, 70 P.S. § 1-301(c.1)(1)(ii).

12. Should JPMPWA fail to pay the assessment as set forth in paragraph 8 above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording JPMPWA the option of either paying the assessment or being indefinitely subject to the sanctions.

13. Should JPMPWA fail to comply with any and/or all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to JPMPWA’s right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

14. Consent. JPMPWA hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau’s authority under the 1972 Act and agrees that it understands all of the terms and conditions contained herein. JPMPWA, by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions, and/or penalties set forth in this Order.

15. Entire Agreement. This Order contains the entire agreement between the Department and JPMPWA. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and JPMPWA.

16. Binding Nature. The Department, JPMPWA, and all officers, owners, directors, employees, heirs and assigns of JPMPWA intend to be and are legally bound by the terms of this

Order.

17. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

18. Effectiveness. JPMPWA hereby stipulates and agrees that the Order shall become effective on the date the Bureau executes the Order (“Effective Date”).

19. Other Enforcement Action.

a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules, and regulations under its jurisdiction against JPMPWA in the future regarding all matters not resolved by this Order.

b. JPMPWA acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department, or office regarding matters within this Order.

20. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

21. Counterparts. This Order may be executed in separate counterparts, by facsimile and/or by PDF.

22. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

23. Disqualification. This Order is not intended to subject any Covered Person to any disqualifications under the laws of the United States, any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands, or under the rules or regulations of any securities or commodities regulator or self-regulatory organization, including, without limitation, any disqualification from relying upon the state or federal registration exemptions, including but not limited to Rule 262 of Regulation A, Rules 504 and 506 of Regulation D and Rule 503(a) of Regulation CF under the Securities Act of 1933, or safe

harbor provisions. "Covered Persons" means JPMPWA its parent, or any of its affiliates and their current or former officers, directors, employees, or other persons that could otherwise be disqualified as a result of the Orders.

24. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Compliance and Examination and J.P. Morgan Private Wealth Advisors, LLC, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR THE COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES COMPLIANCE AND EXAMINATIONS**

Redacted

Eric R. Pistilli, Deputy Secretary for Securities

Date: 06/10/2024



FOR J.P. MORGAN PRIVATE WEALTH ADVISORS, LLC

Redacted

Christopher Wolfe, Managing Director

Date: June 10, 2024