

ADMINISTRATIVE AGREEMENT

I. PARTIES

This Administrative Agreement (Agreement) is entered into among the U.S. Small Business Administration ("SBA") and JPMorgan Chase Bank, NA, (hereafter referred to as "JPMC"), through their authorized representatives.

II. PREAMBLE

1. JPMC is a national banking association, chartered and examined by the Comptroller, pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 et seq. JPMC is authorized to make SBA Express Loans, which are guaranteed by SBA up to 50% of the loan amount.
2. As an SBA Express Lender, JPMC must comply with all of SBA's Loan Program requirements set forth in 13 C.F.R. § 120.400 et seq. and SOP 50 10 5.
3. In 2008, SBA discovered that JPMC employees may have falsified loan documentation in order to obtain approvals on three SBA Express Loans. The loans were allegedly then misused to invest in real estate, which may have benefitted those employees.
4. The three loans which are the subject of this Administrative Agreement are identified as JPMC Loan Numbers [REDACTED] and [REDACTED] (the "Loans").
5. Between November 13, 2007 and July 29, 2008, JPMC submitted Purchase Demand Kits to SBA requesting payment of the guaranteed 50% of the outstanding amounts of the Loans. SBA paid JPMC the guarantees on the Loans in the total amount of \$89,960.09.

6. SBA contends that JPMC knew or should have known of false statements on the documentation for the Loans prior to submitting a request for SBA to make guarantee payments on the Loans. SBA further contends that JPMC failed to follow reasonable and prudent lending practices as required by SBA regulations and policies.
7. JPMC has entered into a separate settlement agreement with the United States to resolve potential litigation under the False Claims Act, 31 U.S.C. §§ 3792-3733.
8. Based on the alleged conduct described above, SBA believes it has a basis to initiate an enforcement action against JPMC pursuant to 13 C.F.R. 120.1500. SBA has determined, however, that based upon the good faith effort of JPMC to resolve the matter and because JPMC's future dealing with the SBA will be conducted responsibly, an enforcement action based on the conduct described above is not necessary at this time to protect the SBA's interests. The parties therefore agree to the terms and conditions set forth below.

III. TERMS AND CONDITIONS

1. SBA agrees that it will not take administrative action against JPMC, including without limitation debarment, suspension, or revocation of delegated authority, based on the facts described above, pursuant to 13 C.F.R. 120.1500.
2. SBA reserves the right take administrative action against JPMC, including without limitation debarment, suspension, or revocation of delegated authority, should SBA determine it necessary and appropriate to do so based upon any other conduct or facts pertaining to loans not at issue in this Agreement.
3. JPMC agrees that it understands the importance of fully complying with the federal regulations governing the SBA's loan programs, contained in Title 13 of the Code of Federal Regulations.

4. JPMC agrees that in the origination of new loans to be guaranteed under an SBA loan program, it will: (a) follow SBA program requirements relating to independently verifying a borrower's income through IRS Form 4506; and (b) will maintain the process for verifying such income separate from the customer-facing employees who are responsible for initiating and managing relationships and negotiating loans and loan terms with small businesses.
5. SBA's decision not to take administrative action against JPMC based upon the facts at issue in this Agreement shall not restrict SBA from instituting administrative actions (i) based upon facts or conduct regarding other loans or (ii) if the SBA discovers additional information concerning the Loans that was not disclosed by JPMC and that the SBA by the exercise of reasonable diligence could not have discovered as of the date of this Agreement.
6. SBA reserves the right to take administrative action against JPMC should JPMC breach the terms of the settlement agreement with the United States resolving the potential litigation under the False Claims Act.
7. JPMC fully releases SBA from any claims (including attorney's fees, costs, and expenses) that JPMC has asserted, could have asserted, or may assert in the future against SBA related to the Loans.
8. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, whether oral or written relating to the subject matter hereof.
9. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

10. This Agreement may be amended or modified only by a written document signed by all Parties.

DATED: 2/26/2014

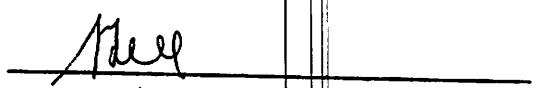
BY:



Brent Ciurino
Director
Office of Credit Risk Management
U.S. Small Business Administration

DATED: 3/21/14

BY:



Name: Scott Geller
Title: CEO - Business Banking
JPMorgan Chase, NA