

Escrow Services

Effective risk management solutions

In today's market, risk management is more critical than ever. When a transaction requires escrow services to mitigate financial performance risk, selecting a responsive and reliable escrow provider is of paramount importance to both parties.

J.P. Morgan is a leading global provider of escrow services. We have a team of experts dedicated exclusively to escrow, with breadth and depth of knowledge in areas ranging from M&A and private equity to litigation and insurance. Our escrow servicing locations span six continents, providing worldwide – as well as world-class – service to our clients.

Our escrow solutions are backed by the financial strength of J.P. Morgan. With over \$2 trillion in assets, J.P. Morgan is an escrow agent you can count on.

Responsive service

Mitigating performance risk is a key component of any transaction, yet escrow arrangements are often the last consideration in a long, intricate process. J.P. Morgan provides quick turnaround on escrow agreements – in many cases, within 24 to 48 hours – enabling clients to close deals without delay.

We make document preparation easier, with dozens of standard contract templates that are valid under a variety of governing laws and that can be easily tailored to specific escrow structures.

Key features and benefits:

- Comprehensive, customized escrow solutions
- Escrow arrangements completed quickly – in many cases, within 24 to 48 hours – accurately and securely
- Experienced professionals focused solely on escrow
- Wide range of investment products to provide liquidity, safety and return
- Global servicing centers

Comprehensive solutions

Acting as an independent third party, J.P. Morgan holds assets in escrow and disburses them when a performance or commitment is delivered upon. While escrow deposits are usually cash or securities, they can consist of anything that is of value – title documents, accounts receivables, even source codes/formulas.

We create customized, end-to-end escrow solutions for any situation – including good faith deposits for M&As, subscription deposits for initial public offerings, litigation awards for pending court cases and collateral trusts for reinsurance. Also, since escrows are non-credit facilities – with no capital costs, low fees and unlimited capacity – they are an attractive alternative to credit-based risk solutions such as standby letters of credit.

Dedicated experts

At J.P. Morgan, our experienced professionals deal exclusively with escrows. They understand the intricacies of such transactions and can translate your unique risk mitigation requirements into a simple, workable solution.

We complete escrow arrangements quickly, accurately and securely.

We have dedicated escrow servicing centers across the globe – in Amsterdam, Chicago, Hong Kong, Houston, Lagos, London, Los Angeles, Mumbai, New York, Sao Paulo and Sydney.

Related capabilities

Our escrow clients also have access to J.P. Morgan's broad range of related capabilities, including:

- Foreign exchange services – with the capability to hold and disburse funds denominated in any freely traded currency.
- A full range of investment products that provide liquidity, safety and return – from time deposits to money market mutual funds –with daily valuation and monitoring of market values.

(Continued)

For more information, please visit
jpmorgan.com/escrow

SAMPLING OF STANDARD ESCROW APPLICATIONS AND SERVICES

Mergers & Acquisitions	Holdbacks, good faith deposits and other monies are held in escrow to facilitate an M&A transaction's compliance with representation and warranties, or performance covenants.
Subscription	Funds are held in escrow pending successful capital-raising.
Collateral	Collateral is held in escrow pending performance in trade or other financing arrangements.
Construction Fund	Funds related to a construction project are held in escrow and released upon completion of pre-defined construction milestones.
Litigation	Funds are deposited in escrow pending appeal of a court judgment or distribution to class-action claim holders.
Regulatory/ Licensing	Deposits are held in accordance with legal requirements for regulatory compliance purposes - for example, licenses to do business, non-accredited reinsurance and environmental clean-ups.
Split Fee/Joint Venture Collection Accounts	A revenue stream passes through the escrow agent for subsequent disbursement. Use of an escrow enables the parties to the agreement to receive their documented share of the revenue stream.
Reinsurance Trust	This collateral trust is designed to meet regulatory requirements for non-admitted reinsurers, who are required by U.S. insurance law to post collateral in a trust in order for U.S. insurance companies to receive balance sheet credit for the reinsurance.
Exchange Agent	Funds related to an M&A transaction are deposited into an escrow account and paid out to the seller in exchange for the receipt of stock certificates (and letters of transmittal) by the underlying shareholders. Services include mailing and receiving letters of transmittal and canceling shares.
Import/Export Payments	Funds are placed in escrow to support the cross-border purchase and sale of goods. The purchaser places funds in escrow pending receipt of goods. The escrow can be used as a substitute for a Letter of Credit in situations when credit is unavailable and/or costly.
