



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:

EDWARD D. JONES & CO., L.P.,
CRD #250,

Respondent.

Case No.: AP-25-08

CONSENT ORDER

1. This consent order (“**Order**”), which is entered into by the Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“**Enforcement Section**”) and Edward D. Jones & Co., L.P. (“**Edward Jones**” or “**Respondent**”), arises out of a coordinated investigation conducted by a multi-state group (“**Multi-State Group**”), for which Missouri served as one of the lead states, into whether Respondent charged unreasonable commissions in violation of applicable state securities laws and regulations.
2. As the result of the coordinated investigation, the Multi-State Group and the Enforcement Section concluded and alleged that Respondent, from May 1, 2020 to April 30, 2025 (the “**Relevant Period**”), charged unreasonable commissions in excess of 5% of the principal amount on certain small principal equity transactions. Nationwide, Respondent charged unreasonable commissions on approximately 781,240 equity transactions during the Relevant Period totaling \$11,287,504. The Enforcement Section alleges that the foregoing acts and practices by Respondent are in contravention of 15 CSR 30-51.171(2)(A) and constitute sufficient grounds to sanction Respondent in accordance with Section 409.6-604 of the Missouri Securities Act of 2003, Chapter 409, et seq. (the “**Act**”)¹, and the regulations promulgated thereunder, §§ 15 CSR 30-51.010 to 15 CSR 30-51.180 (the “**Regulations**”).
3. Respondent and the Enforcement Section desire to settle the allegations raised in this matter by the Enforcement Section relating to the alleged violations of 15 CSR 30-51.171(2)(A).

¹ Unless otherwise indicated, statutory citations refer to the 2016 edition of the Revised Statutes of Missouri, updated by the 2024 Cumulative Supplement.

CONSENT TO JURISDICTION

4. Respondent and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“**Commissioner**”) has jurisdiction over Respondent and this matter pursuant to the Act.
5. Respondent and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVERS

6. Respondent waives any rights to a hearing with respect to this matter.
7. Respondent waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of the Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.

CONSENT TO COMMISSIONER’S ORDER

8. Respondent and the Enforcement Section stipulate and agree to the issuance of this Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondent agrees not to take any action or to make any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent’s (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondent agrees that it is not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondent neither admits nor denies the allegations made by the Enforcement Section, but consents to the Commissioner’s Findings of Fact, Conclusions of Law and Order as set forth herein, solely for the purpose of resolving this proceeding, and any proceeding that may be brought to enforce this Order, and no other purpose.

THE COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

A. Respondent

12. **Edward Jones** is a broker-dealer (“**BD**”) registered in Missouri, since July 1983, with a main address of 12555 Manchester Road, St. Louis, Missouri 63131. Respondent is identified by Financial Industry Regulatory Authority (“**FINRA**”) CRD No. 250.

B. Respondent’s Minimum Commission Practices for Certain Equity Transactions Failed to Ensure Transactions Were Executed at a Fair and Reasonable Price

13. During the Relevant Period, Respondent charged unreasonable commissions to thousands of retail brokerage customers on certain equity transactions.
14. During a portion of the Relevant Period, Respondent charged a minimum fixed commission of \$50 on certain equity transactions (the “**Minimum Equity Commission**”).
15. The Regulations prohibit Respondent from charging unreasonable commissions for services performed.
16. FINRA Rule 2121 Supplementary Material .01 (Rule 2121.01) sets a guideline of five percent for determining whether a commission is unfair or unreasonable. However, the “5% Policy” is a guide, not a rule. A commission pattern of five percent or even less may be considered unfair or unreasonable.
17. During the Relevant Period, Respondent executed 37,084 equity transactions in Missouri-resident customer accounts that included an unreasonable commission for services performed (i.e., in excess of 5% of the principal trade amount), totaling \$526,569.72.
18. Numerous equity transactions executed by Respondent included a commission well in excess of 5% of the principal value of the transaction.

C. Respondent Did Not Reasonably Supervise Transactions Which Applied the Minimum Equity Commission

19. 15 CSR 30-51.171(2)(A) provides that Missouri-registered BDs must establish current procedures and systems for supervising the activities of agents, employees, and Missouri office operations that are reasonably designed to achieve compliance with applicable state and federal securities laws and regulations and, if applicable, the rules of the FINRA.
20. Respondent did not reasonably supervise transactions that included the Minimum Equity Commission charge to ensure that Respondent charged its customers a reasonable commission.
21. Respondent’s policies and procedures contemplated review of commissions as part of

normal supervisory review processes.

22. Respondent's policies and procedures also contemplated a quarterly review of data related to small principal transactions that could result in excessive commissions.
23. Supervisors were permitted to make adjustments to ensure that commissions were reasonable.
24. Despite these systems, Respondent's surveillance policies failed to reasonably detect and correct unreasonable commission charges, specifically as it relates to the Minimum Equity Commission.
25. As a result, Respondent failed to adequately supervise small principal equity transactions where the Minimum Equity Commission was in excess of 5%.

II. CONCLUSIONS OF LAW

26. **THE COMMISSIONER CONCLUDES** that, during the Relevant Period, Respondent failed to reasonably supervise for unreasonable commissions in excess of 5% of the principal amount on certain small principal equity transactions, charged on securities transactions in accounts of Missouri-resident customers, in violation of 15 CSR 30-51.171(2)(A).
27. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604.
28. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

- A. Respondent, its agents and employees, and all other persons participating in the above-described alleged violations with knowledge of this Order, shall cease and desist from engaging in violations of 15 CSR 30-51.171(2)(A);
- B. Respondent shall pay \$125,000 to the Missouri Secretary of State's Investor Education and Protection Fund. **This amount is due upon execution of this Order by Respondent and shall be made payable to the Missouri Secretary of State's Investor Education and Protection Fund**, and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101;

- C. Respondent shall provide restitution in an amount of no less than \$526,569.72, representing the portion of the commission on certain small principal equity transactions that exceeded 5% of the principal trade amount during the Relevant Period to the affected Missouri-resident customers, plus interest in the amount of 6% from the date of the transaction to May 19, 2025. Respondent shall provide restitution within one hundred and eighty (180) days of execution of this Order:
1. Restitution shall be in the form of a dollar credit to current customer accounts, or a check for all former customers;
 2. Respondent shall provide a written notice (“**Notice**”) of restitution to customers on terms not unacceptable to the Multi-state Group. The Notice shall be sent at least seven (7) days prior to the distribution of any restitution. Within forty-five (45) days of the mailing of the Notice, Respondent shall provide the Enforcement Section with a list of all Missouri-resident customers for whom a Notice is received by Respondent as returned to sender or otherwise undeliverable. To the extent the Enforcement Section has access to different address information, Respondent shall mail a second Notice to each Missouri-resident customer within thirty (30) days of the Enforcement Section providing such different address; and
 3. Within forty-five (45) days of completion of distribution of restitution, Respondent shall prepare, and submit to the Enforcement Section, a report detailing the restitution paid pursuant to this Order, which shall include dates, amounts, and methods of the transfer of funds for all restitution payments;
- D. Respondent shall identify an employee of Respondent not unacceptable to the Multi-state Group who shall certify in writing to the Enforcement Section within sixty (60) days of the date of issuance of this Order that Respondent’s policies and procedures have been changed and enhanced to ensure that all commissions are fair and reasonable. At a minimum, Respondent shall certify that its policies and procedures include the following:
1. Compliance systems to prevent the imposition of unreasonable or unfair commissions;
 2. Operational changes designed to ensure that, regardless of the principal amount of a transaction, commissions will not exceed 5%, in the absence of a documented exception;
 3. Incorporation of all transactions, regardless of the principal amount of the transaction, into any systems used to identify and review potentially excessive commissions; and
 4. Revisions to its policies and procedures sufficient to ensure the adequate implementation of the above;
- E. Respondent shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any amounts that Respondent shall pay pursuant to this

Order;

- F. Respondent shall not seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to, any payments made pursuant to any insurance policy, with regard to any amount that Respondent shall pay pursuant to this Order;
- G. If Respondent is the subject of a voluntary or involuntary bankruptcy petition under Title 11 of the United States Code within three hundred sixty-five (365) days of the entry of this Order, Respondent shall provide written notice to the Enforcement Section within five (5) days of the date of the petition;
- H. Any fine, penalty, and/or money that Respondent shall pay in accordance with this Order is intended by Respondent and the Enforcement Section to be a contemporaneous exchange for new value given to Respondent pursuant to 11 U.S.C. § 547(c)(1)(A) and is, in fact, a substantially contemporaneous exchange pursuant to 11 U.S.C. § 547(c)(1)(B);
- I. If Respondent fails to materially comply with any of the terms set forth in the Order, the Enforcement Section may institute an action to have the Order declared null and void. Additionally, after a fair hearing and the issuance of an order finding that Respondent has not complied with the Order, the Enforcement Section may move to have the Order declared null and void, in whole or in part, and re-institute the associated proceeding that had been brought against Respondent;
- J. For good cause shown, the Commissioner may extend any of the procedural dates set forth above. Respondent shall make any requests for extensions of the procedural dates set forth above in writing to the Commissioner, and send a copy of such request to the Enforcement Section; and
- K. Respondent shall pay its own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI, THIS 15th DAY OF DECEMBER, 2025.



DENNY HOSKINS, CPA
SECRETARY OF STATE

A handwritten signature in dark ink, appearing to read "Michael O'Donnell", written over a horizontal line.

MICHAEL O'DONNELL
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

A handwritten signature in blue ink, appearing to read "Douglas M. Jacoby", written over a horizontal line.

DOUGLAS M. JACOBY
Director of Enforcement

RESPONDENT

A handwritten signature in dark ink, appearing to read "Keir Gumbs", written over a horizontal line.

EDWARD D. JONES & CO., L.P.
KEIR GUMBS
Chief Legal Officer