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REC'D - AR SECURITIES

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO. S-25-0017
ORDER NO. S-25-0017-25-OR01

IN THE MATTER OF:

EDWARD D. JONES & CO., L.P

RESPONDENT

CONSENT ORDER

This Consent Order ("Order") is entered pursuant to the Arkansas Securities Act ("Act"), codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509, the Rules of the Arkansas Securities Commissioner ("Rules") promulgated pursuant to the Act and codified at 23 CAR §§ 300-101 through 300-609, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-221, in accordance with an agreement between the staff of the Arkansas Securities Department ("Staff") and Respondent, Edward D. Jones & Co., L.P. ("Edward Jones") (CRD No. 250).

Pursuant to the authority granted to the Arkansas Securities Commissioner ("Commissioner"), under the Act, and after investigation, careful review, and due consideration of the facts and statutory provisions set forth below, the Commissioner hereby finds that there is good cause, and it is in the public interest to enter into this Order with Edward Jones, which hereby agrees to resolve any and all issues in controversy regarding the specific conduct described herein on the terms set forth in this Order.

JURISDICTION

1. The Commissioner has jurisdiction pursuant to Ark. Code Ann. § 23-42-201(a)(1).
2. This Order is entered in accordance with Ark. Code Ann. § 23-42-308(h).

3. The acts and practices that are subject of this Order occurred while Edward Jones was registered as a broker-dealer in Arkansas.

4. Edward Jones admits the jurisdiction of the Act and the Commissioner, waives its right to a formal hearing and appeal, consents to the entry of this Order, neither admits nor denies the Findings of Fact, and neither admits nor denies the Conclusions of Law, and agrees to abide by its terms.

RESPONDENT

5. Edward Jones is a broker-dealer registered in Arkansas with a main address of 12555 Manchester Road, St. Louis, Missouri 63131.

FINDINGS OF FACT

Edward Jones's Minimum Commission Practices for Certain Equity Transactions Failed to Ensure Transactions Were Executed at a Fair and Reasonable Price

6. As the result of a coordinated multi-state investigation, led by Massachusetts, Montana, Missouri, Alabama, Washington, Texas, and Iowa (the "Multi-State Group"), the Staff concluded that Edward Jones charged unreasonable commissions on certain equity transactions. Nationwide, Edward Jones charged unreasonable commissions on approximately 781,240 equity transactions from May 1, 2020 to April 30, 2025 (the "Relevant Time Period"), totaling \$11,287,504.

7. During a portion of the Relevant Time Period, Edward Jones charged a minimum fixed commission of fifty dollars (\$50.00) on certain equity transactions (the "Minimum Equity Commission").

8. The Act and Rules prohibit Edward Jones from charging unreasonable commissions for services performed.

9. 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 (5%) or even less may be considered unfair or unreasonable.

10. During the Relevant Time Period, Edward Jones executed 11,250 equity transactions in Arkansas which included an unreasonable commission for services performed (i.e. in excess of five percent (5%) of the principal trade amount), totaling \$170,530.58.

11. Numerous equity transactions executed by Edward Jones included a commission well in excess of five percent (5%) of the principal value of the transaction.

Edward Jones Did Not Reasonably Supervise Transactions Which Applied the Minimum Equity Commission

12. Edward Jones did not reasonably supervise transactions that included the Minimum Equity Commission charge to ensure that Edward Jones charged its customers a reasonable commission.

13. Edward Jones's policies and procedures contemplated review of commissions as part of normal supervisory review processes.

14. Edward Jones's policies and procedures also contemplated a quarterly review of data related to small principal transactions that could result in excessive commissions.

15. Supervisors were permitted to make adjustments to ensure that commissions were reasonable.

16. Despite these systems, Edward Jones's surveillance policies failed to reasonably detect and correct unreasonable commission charges, specifically as it relates to the Minimum Equity Commission.

17. As a result, Edward Jones failed to adequately supervise small principal equity transactions where the Minimum Equity Commission was in excess of five percent (5%).

CONCLUSIONS OF LAW

18. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

19. Pursuant to Ark. Code Ann. § 23-42-301(f)(1), it is a violation of the Act for a registered broker-dealer firm to fail to establish and maintain a system to reasonably supervise its agents.

20. Edward Jones's acts and practices, as described above, constitute a violation of the Act's supervision requirements for broker dealers, Ark. Code Ann. § 23-42-301(f)(1).

ORDER

21. On the basis of the Findings of Fact, Conclusions of Law, and Edward Jones's consent to the entry of this Order, IT IS HEREBY ORDERED:

- a. Edward Jones shall permanently cease and desist from conduct violating the Act's supervision requirements for broker dealers, Ark. Code Ann. § 23-42-301(f)(1);
- b. Edward Jones is censured by the Commissioner;
- c. Edward Jones shall provide restitution in an amount no less than \$170,530.58, representing the portion of the commission on certain small principal equity transactions that exceeded five percent (5%) of the principal trade amount during the Relevant Time Period to affected Arkansas customers, plus interest in the amount of six percent (6%) from the date of the transaction to May 19, 2025. Edward Jones shall provide restitution within one hundred eighty (180) days of the entry of this Order.

- d. Restitution shall be in the form of a dollar credit to current customer accounts, or a check for all former customers;
- e. Edward Jones shall provide a notice of restitution ("Notice Letter") to customers on terms not unacceptable to the Multi-State Group for use by all participating jurisdictions. The Notice Letter 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 Letter, Edward Jones shall provide the Commissioner with a list of all Arkansas residents for whom Edward Jones receives a Notice Letter as returned to sender or otherwise undeliverable ("Undeliverable Arkansas Resident"). To the extent the Commissioner has access to different address information, Edward Jones shall mail a second Notice Letter to each Undeliverable Arkansas Resident within thirty (30) days of the Commissioner providing such different address;
- f. Within forty-five (45) days of completion of distribution of restitution, Edward Jones shall prepare, and submit to the Commissioner, a report detailing the restitution paid pursuant to the Order, which shall include dates, amounts, and methods of the transfer of funds for all restitution payments;
- g. Edward Jones shall pay an administrative fine in the amount of \$100,000 to the Arkansas Securities Department within fifteen (15) days following the date of entry of the Order.
- h. Edward Jones agrees that an employee not unacceptable to the Multi-State Group shall certify in writing to the Commissioner within sixty (60) days of the date of entry of the Order that Edward Jones's policies and procedures have been changed and enhanced to ensure that all commissions are fair and reasonable. At a

minimum, Edward Jones shall certify that its policies and procedures include the following:

- i. Compliance systems to prevent the imposition of unreasonable or unfair commissions;
 - ii. Operational changes designed to ensure that, regardless of the principal amount of a transaction, commissions will not exceed five percent (5%), in the absence of a documented exception;
 - iii. Incorporation of all transactions, regardless of the principal amount of the transaction, into any systems used to identify and review potentially excessive commissions; and
 - iv. Revisions to its policies and procedures sufficient to ensure the adequate implementation of the above.
- i. Edward Jones 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 Edward Jones shall pay pursuant to the Order;
 - j. Edward Jones 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 Edward Jones shall pay pursuant to the Order;
 - k. If Edward Jones 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 the Order, Edward Jones shall provide written notice to the Commissioner within five (5) days of the date of the petition.

1. Any fine, penalty, and/or money that Edward Jones shall pay in accordance with the Order is intended by Edward Jones and the Commissioner to be a contemporaneous exchange for new value given to Edward Jones 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).
- m. If Edward Jones fails to materially comply with any of the terms set forth in the Order, the Staff 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 Edward Jones has not complied with the Order, the Staff 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 Edward Jones; and
- n. For good cause shown, the Commissioner may extend any of the procedural dates set forth in this Order. Edward Jones shall make any requests for extensions of the procedural dates set forth above in writing to the Commissioner.

WAIVER

22. Edward Jones hereby waives all rights to contest an Order entered by the Commissioner, including, but not limited to: (A) the right to contest whether the Order is fair, reasonable, and/or in the public interest, (B) the right to contest the Order's findings of fact, and (C) the right to contest the Order's conclusions of law. Edward Jones further waives the procedural due process right to a hearing and any other procedural rights provided by the Act, Rules, and the Arkansas Administrative Procedures Act.

NO DISQUALIFICATION

23. This Order waives any disqualification under the Act and Rules, including any disqualification from relying upon the registration exemptions or safe harbor provisions to which Edward Jones may be subject. The Order is not intended to be a final order based upon violations of the Act and Rules that prohibit fraudulent, manipulative, or deceptive conduct. The Order is not intended to form the basis of any disqualifications under Section 3(a)(39) of the Securities Exchange Act of 1934; or Rules 504(b)(3) and 506(d)(1) of Regulation D, Rule 262(a) of Regulation A and Rule 503(a) of Regulation CF under the Securities Act of 1933. The Order is not intended to form the basis of disqualification under the FINRA rules prohibiting continuance in membership absent the filing of a MC-400A application or disqualification under SRO rules prohibiting continuance in membership. The Order is not intended to form a basis of a disqualification under 204(a)(2) of the Uniform Securities Act of 1956 or Section 412(d) of the Uniform Securities Act of 2002. Except in an action by the Staff to enforce the obligations of the Order, any acts performed or documents executed in furtherance of the Order: (a) may not be deemed or used as an admission of, or evidence of, the validity of any alleged wrongdoing, liability, or lack of any wrongdoing or liability; or (b) may not be deemed or used as an admission of, or evidence of, any such alleged fault or omission of Edward Jones in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or tribunal.

24. This Order shall be binding upon Edward Jones and its successors and assigns, as well as to successors and assigns of relevant affiliates, with respect to all conduct subject to the provisions above.

25. This Order and any dispute related thereto shall be construed and enforced in accordance with, and governed by, the laws of Arkansas without regard to any choice of law principles.

WITNESS MY HAND this the 13th day of October, 2025.

SUSANNAH T. MARSHALL
ARKANSAS SECURITIES COMMISSIONER

By: 

J. Campbell McLaurin

Deputy Commissioner

Arkansas Securities Department

1 Commerce Way, Suite 402

Little Rock, Arkansas 72202

Edward D. Jones & Co., L.P. hereby agrees to the entry of this Consent Order, and consents to all terms, conditions, and orders contained therein, and waives any right to an appeal from this Order.

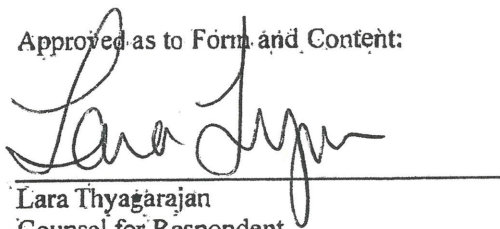
EDWARD D. JONES & CO., L.P. by:



Keir Gumbs
Chief Legal Officer

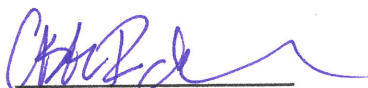
Date: 2025-10-02

Approved as to Form and Content:



Lara Thyagarajan
Counsel for Respondent

10/6/25
Date



Christina Redmann
Staff Attorney
Arkansas Securities Department

10/13/2025
Date