

**STATE OF NEBRASKA**  
**Department of Banking & Finance**

In the Matter of:	)	
	)	FINDINGS OF FACT
Edward D. Jones & Co., L.P.,	)	CONCLUSIONS OF LAW
12555 Manchester Road,	)	AND
St. Louis, Missouri	)	CONSENT ORDER

THIS MATTER comes before the Nebraska Department of Banking and Finance (“DEPARTMENT”), by and through its Director, pursuant to its authority under the Securities Act of Nebraska, Neb. Rev. Stat. §§ 8-1101 to 8-1123 (Reissue 2012; LB 205, 2013; LB 214, 2013) (“Act”). Pursuant to Neb. Rev. Stat. § 8-1115 (Reissue 2012), the DEPARTMENT has investigated the acts of Edward D. Jones & Co., L.P., 12555 Manchester Road, St. Louis, Missouri. As a result of such investigation, and being fully advised and informed in the matter, the Director and Edward D. Jones & Co., L.P., enter into the following Findings of Fact, Conclusions of Law and Consent Order (“Order”).

**FINDINGS OF FACT**

1. Edward D. Jones & Co., L.P. (“EDWARD JONES”) is, and was at all times relevant to this Order, registered as a broker-dealer approved to transact business in Nebraska pursuant to Neb. Rev. Stat. § 8-1103 (Reissue 2012).
2. From January 26, 2000 through October 21, 2006, Paula K. Deitering (“Deitering”) was registered in Nebraska as an agent of EDWARD JONES, pursuant to Section 8-1103. Deitering is currently registered with Morgan Stanley Smith Barney, LLC.

3. Deitering married Jonathan Harper ("J. Harper") (collectively, "the Harpers") on September 18, 1990. A Petition for Dissolution of Marriage was filed on August 2, 2006, in the Iowa District Court for Pottawattamie County. A Decree of Dissolution of Marriage was filed on March 23, 2007.

4. On May 15, 2000, Account 625-04250 was opened at EDWARD JONES as a custodial account for the Harpers' minor child with J. Harper as the custodian. Deitering was identified as the "investment representative" on Account 625-04250.

5. Deitering processed four address changes on Account 625-04250. Upon opening, the account statements were mailed to the Harpers' residential address. In October 2000, the mailing address on Account 625-04250 was changed to Deitering's branch address. In May 2001, the address was changed back to the Harpers' residential address. In July 2002, the address was changed to a post office box in Bellevue, Nebraska. In March 2004, the address was changed again to Deitering's branch address.

6. On July 30, 2003, Deitering signed J. Harper's name to a *Letter of Authorization to Change Registration or Transfer Assets* form to transfer a portion of the assets of Account 625-04250 to an account titled in the name of Deitering as custodian for the Harpers' minor child. The transfer was not completed.

7. From May 3, 2006 to September 25, 2006, the following checks, drawn on Account 625-04250 and payable to J. Harper as custodian of the account, were mailed to Deitering's branch address:

(Remainder of page intentionally left blank)

Check Number	Date	Amount
113619244	May 3, 2006	\$ 1,000.00
113711975	May 17, 2006	\$ 2,500.00
114578408	September 20, 2006	\$ 206.67
114578409	September 20, 2006	\$ 619.98
114611295	September 25, 2006	\$ 14.92
	<b>TOTAL</b>	<b>\$ 4,341.57</b>

8. Deitering signed J. Harper's name to endorse the checks which were made payable to J. Harper as custodian for the Harpers' minor child.

9. Deitering represented to the DEPARTMENT that the money was deposited into the minor child's 529(b) Hartford account or SAC Federal Credit Union account or was used to pay expenses of the minor child, including a trip to Hawaii and camp in Colorado.

10. J. Harper claimed to have no prior knowledge of the post office box in question and also stated that he never requested the address changes set forth in Finding of Fact No. 5.

11. J. Harper claimed to have no prior knowledge of the facts set forth in Findings of Fact Nos. 7 and 8.

12. The DEPARTMENT sent a letter to EDWARD JONES dated June 23, 2010, regarding J. Harper's complaint. On October 22, 2010, another letter was sent by the DEPARTMENT seeking additional information. In a letter responding to the DEPARTMENT, dated November 12, 2010, EDWARD JONES stated that generally account documents may not be sent to an address controlled by an associate, except that documents may be sent to the home address of an associate if the account is registered to the associate or another individual living in the same household. EDWARD JONES stated that it has supervisory controls designed to detect and prevent account documents

from being sent to associate controlled addresses, including branch addresses. Specifically, EDWARD JONES has a report which reflects instances in which an account is registered to the home or branch address of an EDWARD JONES associate; however, in this case the report was not triggered due to a variance in the formatting of the addresses.

### CONCLUSIONS OF LAW

1. The DEPARTMENT has jurisdiction over this matter pursuant to the Act.
2. Neb. Rev. Stat. § 8-1103(9)(a) (Reissue 2012) provides that a broker-dealer shall maintain true and accurate books and records, as required by the Director.
3. The facts set forth in Findings of Fact Nos. 6 through 8 and No. 11 constitute failing to maintain true and accurate records by EDWARD JONES, in that records do not have accurate endorsements on checks made out to J. Harper as custodian or accurate signatures on other documents related to Account 625-04250.
4. Pursuant to rules adopted by the director, broker-dealers are required to maintain an account record which includes the customer's or account owner's name and address. 48 NAC 4.010, incorporating 17 C.F.R. 240.17a-3(a)(17)(i)(B)(2).
5. The facts set forth in Findings of Fact Nos. 6 through 8 and No. 12 constitute failing to maintain required books and records by EDWARD JONES, in that the records regarding Account 625-04250 did not contain the correct address of the custodian of the account.
6. Neb. Rev. Stat. § 8-1103(9)(a)(ii), (vii), and (xii) provides, in part, that the Director may by order deny, suspend, or revoke the registration of any registrant, or bar, censure, or impose a fine pursuant to Neb. Rev. Stat. § 8-1108.01(4) (Reissue 2012) on a

registrant if the Director finds that (a) the order is in the public interest and (b) the registrant, among other things, has willfully failed to comply with any provision of the Act or any rule, regulation, or order promulgated under the Act.

9. Under the Act's statutory framework, the Director has legal and equitable authority to fashion significant protective remedies.

10. It is in the best interest of EDWARD JONES, and it is in the public's best interest, for EDWARD JONES and the Director to resolve the issues included herein.

### **CONSENT ORDER**

NOW THEREFORE, the parties to this Order agree as follows:

Stipulations: In connection with this Order, EDWARD JONES and the Director stipulate to the following:

- a. The DEPARTMENT has jurisdiction as to all matters herein.
- b. An Order should be entered in this matter, which shall be in lieu of other proceedings by the DEPARTMENT, except as specifically referenced in this Order.

EDWARD JONES further represents as follows:

1. EDWARD JONES is aware of its right to a hearing on this Order at which it may be represented by counsel, present evidence, and cross-examine witnesses. The right to such a hearing and any related appeal on all matters covered by this Order, is irrevocably waived.

2. EDWARD JONES is acting free from any duress or coercion of any kind or nature.

3. This Order is executed to avoid further proceedings and constitutes an admission of violations of the Act solely for the purposes of this Order and for no other purposes.

FURTHER, EDWARD JONES agrees to take whatever action is necessary to ensure compliance with all provisions of the Act in the future. If, at any time, the DEPARTMENT determines that EDWARD JONES has committed any other violations of the Act, the DEPARTMENT may take any action available to it under the Act.

IT IS THEREFORE ORDERED as follows:

1. Edward D. Jones & Co., L.P. shall pay a fine in the amount of ten thousand dollars (\$10,000.00).
2. Edward D. Jones & Co., L.P. shall pay the costs of the investigation conducted by the DEPARTMENT in the amount of two thousand five hundred dollars (\$2,500.00).
3. Edward D. Jones & Co., L.P. shall pay the total of the fine and costs assessed to it pursuant to this Order in the amount of twelve thousand five hundred dollars (\$12,500.00), by one check payable to the Nebraska Department of Banking and Finance, within thirty (30) days of the effective date of this Order.

For any person or entity not a party to this Order, this Order does not limit or create any private rights or remedies against EDWARD JONES, limit or create liability of EDWARD JONES, or limit or create defenses of EDWARD JONES to any claims.

Nothing herein shall preclude the State of Nebraska, its departments, agencies, boards, commissions, authorities, political subdivisions and corporations, other than the DEPARTMENT (collectively, "State Entities") and the officers, agents or employees of


State Entities from asserting any claims, causes of action, or applications for compensatory, nominal and/or punitive damages, administrative, civil, criminal, or injunctive relief against EDWARD JONES in connection with the subject matter of this Order.

In the event that EDWARD JONES fails to comply with the provisions of this Order, the DEPARTMENT may commence such action as it deems necessary and appropriate in the public interest.

The effective date of this Order will be the date of the Director's signature.

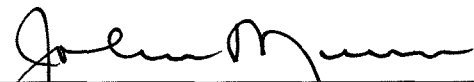
DATED this 12<sup>th</sup> day of November, 2013.

**EDWARD D. JONES & CO., L.P.**

By:   
Printed Name: JAMES A. TRIADILLO  
Title: GENERAL COUNSEL  
12555 Manchester Road  
St. Louis, Missouri 63131

DATED this 20<sup>th</sup> day of November, 2013.

**STATE OF NEBRASKA  
DEPARTMENT OF BANKING AND FINANCE**

By:   
John Munn, Director  
1526 K Street, Suite 300  
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