

STATE OF NEBRASKA
Department of Banking & Finance

IN THE MATTER OF:	)	
	)	
Edward D. Jones & Co., L.P.	)	FINDINGS OF FACT
12555 Manchester Road	)	CONCLUSIONS OF LAW
St. Louis, Missouri	)	AND
	)	CONSENT ORDER
CRD # 250	)	

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 2022; Cum. Supp. 2024; LB 251, 2025) (“Act”). A coordinated investigation led by seven jurisdictions, including Massachusetts, Washington, Montana, Missouri, Alabama, Texas, and Iowa (the “Multi-state Group”) concluded that Edward D. Jones & Co., L.P., 12555 Manchester Road, St. Louis, Missouri, CRD #250 (“Edward Jones”), charged unreasonable commissions on certain small principal equity transactions. Nationwide, Edward Jones charged unreasonable commissions on approximately 781,240 equity transactions from May 1, 2020, to April 30, 2025 (“Relevant Time Period”) totaling \$11,287,504.00. Edward Jones, in full settlement of these matters, neither admits nor denies the Findings of Fact and the Conclusions of Law set forth below.

FINDINGS OF FACT

1. Edward D. Jones & Co., L.P. (“Edward Jones”) is a broker-dealer registered in Nebraska with a main address of 12555 Manchester Road, St. Louis, Missouri. Edward Jones is identified by Financial Industry Regulatory Authority (“FINRA”) CRD No. 250.

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

2. During the Relevant Time Period, Edward Jones charged unreasonable commissions to thousands of retail brokerage customers on certain equity transactions.

3. During a portion of the Relevant Time Period, Edward Jones charged a minimum fixed commission of \$50 on certain equity transactions (the "Minimum Equity Commission").

4. The Act, and the regulations thereunder, prohibit Edward Jones from charging unreasonable commissions for services performed.

5. 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.

6. During the Relevant Time Period, Edward Jones executed 8,917 equity transactions in Nebraska which included an unreasonable commission for services performed (i.e., in excess of 5% of the principal trade amount), totaling \$134,041.05.

7. Numerous equity transactions executed by Edward Jones included a commission well in excess of 5% of the principal value of the transaction.

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

8. 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.

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

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

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

12. 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.

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

CONCLUSIONS OF LAW

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

2. Neb. Rev. Stat. § 8-1103(9)(a)(xi) (Reissue 2022) requires that each broker-dealer establish and maintain a system to supervise the activities of its broker-dealer agents that is reasonably designed to achieve compliance with the Act.

3. Edward Jones's acts and practices, as described above, constitute a violation of Section 8-1103(9)(a)(xi) of the Act.

4. The foregoing violations of the Act constitute the basis for the assessment of a fine, costs, and settlement against Edward Jones pursuant to Neb. Rev. Stat. § 8-1108.01 (Reissue 2022).

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

6. It is in the best interest of Edward Jones, and in the public's best interest, for Edward Jones and the Director to resolve the issues included herein.

STIPULATIONS

In connection with this Order, Edward Jones and the Director stipulate to the following:

1. The Department has jurisdiction as to all matters herein.
2. An Order should be entered in this matter, which shall be in lieu of other proceedings by the Department against Edward Jones, except as specifically referenced in this Order.

Edward Jones further represents as follows:

1. Edward Jones hereby acknowledges that it has been served with a copy of this Order, has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

2. Edward Jones admits the jurisdiction of the Department, neither admits nor denies the Findings of Facts and Conclusions of Law contained in this Order, and consents to entry of this Order by the Department as settlement of the issues contained in this Order.

3. Edward Jones agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any administrative fine that Edward Jones shall pay pursuant to this Order. Edward Jones understands and acknowledges that these provisions

are not intended to imply that the Department would agree that any other amounts Edward Jones shall pay pursuant to this Order may be reimbursed or indemnified (whether pursuant to an insurance policy or otherwise) under applicable law or may be the basis for any tax deduction or tax credit with regard to any state, federal, or local tax.

4. Edward Jones states that no promise of any kind or nature whatsoever was made to it to induce it to enter into this Order and that it has entered into this Order voluntarily.

ORDER

On the basis of the Findings of Fact, Conclusions of Law, and Edward Jones's consent to the entry of this Order,

IT IS THEREFORE ORDERED:

1. Edward Jones shall permanently cease and desist from conduct in violation of Section 8-1103(9)(a)(xi) of the Act, as described herein.
2. Edward Jones is censured by the Department.
3. Edward Jones shall provide restitution in an amount of no less than \$134,041.05 representing the portion of the commission on certain small principal equity transactions that exceeded 5% of the principal trade amount during the Relevant Time Period to the affected Nebraska customers, plus interest in the amount of 6% from the date of the transaction to May 19, 2025. Edward Jones shall provide restitution within one hundred eighty (180) days of the effective date of this Order.
4. Restitution shall be in the form of a dollar credit to current customer accounts, or a check for all former customers.
5. Edward Jones shall provide a notice of restitution to customers on terms not unacceptable to the Multi-state Group ("Notice Letter") for use by all participating jurisdictions.

The Notice Letters 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 Department with a list of all Nebraska residents for whom Edward Jones receives a Notice Letter as returned to sender or otherwise undeliverable. To the extent the Department has access to different address information, Edward Jones shall mail a second Notice Letter to each Nebraska resident within thirty days of the Department providing such different address.

6. Within forty-five days of completion of distribution of the restitution, Edward Jones shall prepare, and submit to the Department, 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.

7. Edward Jones shall pay an administrative fine to the Department in the amount of Ten Thousand Dollars (\$10,000.00), the Department's cost of investigation in the amount of Fifteen Thousand Dollars (\$15,000.00), and the sum of Seventy-Five Thousand Dollars (\$75,000.00) as a settlement to the Department of Banking and Finance Settlement Cash Fund pursuant to Neb. Rev. Stat. § 81-302 (LB 264, 2025).

8. The total amount of the fine, investigation costs, and settlement in the amount of One Hundred Thousand Dollars (\$100,000.00) shall be paid by one check payable to the Department within the later of fifteen days (i) after the effective date of this Order; or (ii) after Edward Jones's receipt of the necessary payment documentation and instructions to be provided by the Department. At its option, Respondent may transmit payment electronically to the Department, which will provide ACH transfer instructions upon request.

9. An employee of Edward Jones, not unacceptable to the Multi-State Group, shall certify in writing to the Department within sixty 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:

- a. Compliance systems to prevent the imposition of unreasonable or unfair commissions;
- b. 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;
- c. Incorporation of all transactions, regardless of the principal amount of the transaction, into any systems used to identify and review potentially excessive commissions; and
- d. Revisions to its policies and procedures sufficient to ensure the adequate implementation of the above.

10. 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.

11. 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.

12. 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 days of the entry of the Order, Edward Jones shall provide written notice to the Department within five days of the date of the petition.

13. Any fine, penalty, and/or money that Edward Jones shall pay in accordance with the Order is intended by Edward Jones and the Department 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).

14. If Edward Jones fails to materially comply with any of the terms set forth in the Order, the Department 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 Department 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.

15. For good cause shown, the Director may extend any of the procedural dates set forth above. Edward Jones shall make any requests for extensions of the procedural dates set forth above in writing to the Department.

16. This Order waives any disqualification in the Act, or rules or regulations thereunder, 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 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 Department 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.

17. 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.

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

19. The effective date of this Order is the date of the Director's signature.

DATED this 13 day of November, 2025.

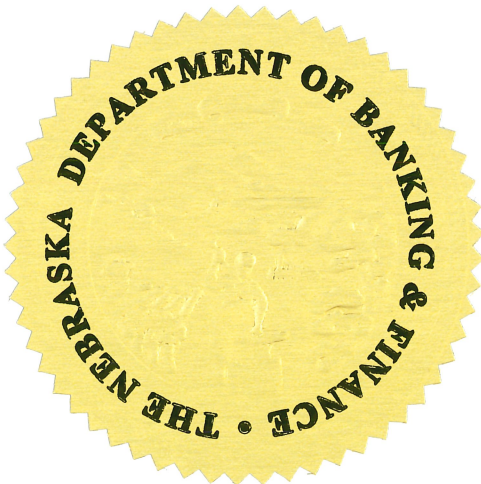
EDWARD D. JONES & CO., L.P.



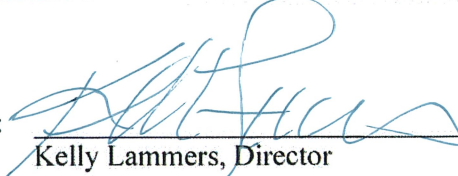
By: Keir Gumbs

Title: Chief Legal Officer

DATED this 14th day of November, 2025.



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

By: 
Kelly Lammers, Director

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