STATE OF NORTH DAKOTA

NORTH DAKOTA INSURANCE AND SECURITIES DEPARTMENT

IN THE MATTER OF:	)	
	)	
	)	
EDWARD D. JONES & CO., L.P.,	)	Case No. SO-25-908
	)	25-2013
	)	
Respondent.	)	

CONSENT ORDER

Pursuant to the authority granted to the North Dakota Insurance Commissioner, under the Securities Act, North Dakota Century Code ("N.D.C.C.") Chapter 10-04 (the "Act"), and the regulations promulgated thereunder at Title 73 of the North Dakota Administrative Code (the "Regulations"), and after investigation, careful review, and due consideration of the facts and statutory provisions set forth below, the North Dakota Insurance Commissioner hereby finds that there is good cause, and it is in the public interest, to enter into a Consent Order (the "Order") with Edward D. Jones & Co., L.P. ("Edward Jones" or "Respondent"), 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. As the result of a coordinated investigation, the North Dakota Insurance & Securities Department ("Department") concluded that 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 (the "Relevant Time Period"), totaling $11,287,504. Edward Jones, in full settlement of these matters, neither admits nor denies the Findings of Fact as set forth in Section III, and neither admits nor denies the Conclusions of Law set out in Section IV.

I. JURISDICTION

1. The Department has jurisdiction pursuant to the Act and the Regulations.

2. This Order is entered in accordance with the Act and the Regulations.

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

II. RESPONDENT

4. Edward Jones is a broker-dealer registered in North Dakota with a main address of 12555 Manchester Road, St. Louis, Missouri 63131. Edward Jones is identified by Financial Industry Regulatory Authority ("FINRA") CRD No. 250.

III. FINDINGS OF FACT

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

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

6. 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").

7. The Act and Regulations prohibit Edward Jones from charging unreasonable commissions for services performed.

8. 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.

9. During the Relevant Time Period, Edward Jones executed 3,244 equity transactions in North Dakota which included an unreasonable commission for services performed (i.e., in excess of 5% of the principal trade amount), totaling $46,425.80.

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

B. <u>Edward Jones Did Not Reasonably Supervise Transactions Which Applied the Minimum Equity Commission</u>

11. 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.

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

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

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

15. 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.

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

IV. CONCLUSIONS OF LAW

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

18. Pursuant to N.D.C.C. § 10-04-11(1)(m), 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.

19. Edward Jones's acts and practices, as described above, constitute a violation of N.D.C.C. § 10-04-11(1)(m).

V. ORDER

20. 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 in violation of Section 10-04-11(1)(m) of the Act;

B. Edward Jones is censured by the North Dakota Insurance Commissioner pursuant to the provisions of N.D.C.C. §§ 10-04-11(1)(m) and 10-04-16(1);

C. Edward Jones shall provide restitution in an amount of no less than $46,425.80, 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 North Dakota 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 execution 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 to customers on terms not unacceptable to Massachusetts, Montana, Missouri, Alabama, Washington, Texas, and Iowa (the "Multi-state Group") ("Notice Letter") 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 Department with a list of all North Dakota 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 North Dakota resident within thirty (30) days of the Department providing such different address;

F. Within forty-five (45) calendar days of completion of the distribution of 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;

G. Edward Jones shall pay an administrative fine in the amount of $100,000 to the Department within the latter of fifteen (15) days (i) following the date of entry of the Order; or (ii) following Edward Jones's receipt of the necessary payment documentation and instructions to be provided by the Department; payment is to be made by automated clearing house ("ACH") transfer, wire transfer, or other method of payment as is agreed upon by all parties;

H. Edward Jones agrees that an employee not unacceptable to the Multi-State Group shall certify in writing to the Department 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 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 Department within five (5) days of the date of the petition;

L. 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);

M. If Edward Jones fails to materially comply with any of the terms set forth in the Order, the North Dakota Insurance Commissioner 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 Insurance Commissioner 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 Department 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.

VI. WAIVER

21. Edward Jones hereby waives all rights to contest this Order entered by the North Dakota Insurance 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.

VII. NO DISQUALIFICATION

22. 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.

23. 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.

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

SIGNED AND ENTERED BY THE NORTH DAKOTA INSURANCE COMMISSIONER this 26th day of June, 2026.

(SEAL)

COMMISSIONER OF INSURANCE SEAL STATE OF NORTH DAKOTA

By: ______________________

Jon Godfread
Insurance Commissioner
North Dakota Insurance & Securities Department
600 East Boulevard Ave.
State Capitol – Fifth Floor
Bismarck, ND 58505-0510
(701) 328-2910

CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY RESPONDENT

Edward D. Jones & Co., L.P., 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.

Edward D. Jones & Co., L.P., admits the jurisdiction of the North Dakota Insurance & Securities Department, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order, and consents to entry of this Order by the North Dakota Insurance Commissioner as settlement of the issues contained in this Order.

Edward D. Jones & Co., L.P., 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 payment that shall be made pursuant to this Order.

Edward D. Jones & Co., L.P., states that no promise of any kind or nature whatsoever was made to it to induce it to consent to this Order and that it has consented to this Order voluntarily.

Dated this 3 day of June, 2026.

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

Signature: ______________________

Print Name: Keir Gumbs

Title: Chief Legal Officer

Dated: 6/3/2026