

**ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

<b>IN THE MATTER OF:</b>	)	
	)	
<b>Edward D. Jones &amp; Co., L.P.</b>	)	<b>CONSENT ORDER</b>
<b>(CRD #250),</b>	)	<b>Matter No. 20252027</b>
	)	
<b>Respondent.</b>	)	
_____	)	

**I. PRELIMINARY STATEMENT**

WHEREAS, pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, et seq., and the regulations and rules promulgated thereunder (collectively, the “Act”), and delegated to the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) by the Securities Commissioner, the Division conducted an investigation into the securities-related activities of Edward D. Jones & Co., L.P. (CRD #250) (the “Respondent” or “Edward Jones”);

WHEREAS, a multistate task force led by the states of Massachusetts, Montana, Missouri, Alabama, Washington, Texas, and Iowa (the “Multi-State Group”), which are members of the North American Securities Administrators Association (“NASAA”), conducted an investigation into Edward Jones’s commissions charged on certain small principal equity transactions. As the result of this coordinated investigation by the Multi-State Group and the Division, the Division concludes 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 Period”), which totaled \$11,287,504;

WHEREAS, because Edward Jones is a registered broker-dealer in the State of South Carolina, it admits to the jurisdiction of the Securities Commissioner over it and the subject matter of this proceeding;

WHEREAS, Edward Jones, without admitting or denying the Findings of Fact or Conclusions of Law set forth herein, consents to the entry of this Consent Order;

WHEREAS, the Division finds that there is good cause, and it is in the public interest, to enter into this Consent Order with Edward Jones; and

WHEREAS, Edward Jones elects to waive permanently any right to a hearing, judicial review, or appeal under the S.C. Code. Ann. § 35-1-609, with respect to this Consent Order.

NOW, THEREFORE, the Securities Commissioner, as administrator of the Act, hereby enters this Consent Order:

## **II. JURISDICTION**

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code. Ann. § 35-1-601(a).

## **III. RESPONDENT**

2. Edward Jones is a registered broker-dealer with a principal place of business at 12555 Manchester Road, St. Louis, Missouri 63131-3710. Edward Jones is identified by the Financial Industry Regulatory Authority (“FINRA”) Central Registration Depository (“CRD”) number 250. Edward Jones has been registered with the Division as a broker-dealer since October 28, 1981.

#### **IV. 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**

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

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

5. The Act prohibits Edward Jones from charging unreasonable commissions for services performed.

6. 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.

7. During the Relevant Period, Edward Jones executed 21,695 equity transactions in South Carolina, which included an unreasonable commission for services performed (i.e., in excess of 5% of the principal trade amount) and totaled \$321,397.88.

8. 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**

9. 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.

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

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

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

13. 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.

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

#### **V. CONCLUSIONS OF LAW**

15. Paragraphs 1 through 14 are incorporated here by reference as though fully set forth herein.

16. Pursuant to S.C. Code Ann. § 35-1-412(d)(9), the Respondent is required to establish and maintain a system to supervise the activities of its broker-dealer agents that is reasonably designed to achieve compliance with the Act and all applicable securities laws and regulations, including the establishment and maintenance of written procedures.

17. During the Relevant Period, the Respondent did not have reasonably designed procedures with respect to its activities as a broker-dealer relating to charging customers Minimum Equity Commissions in excess of 5% for small principal equity transactions.

18. The Respondent's failure during the Relevant Period to establish and maintain reasonably designed procedures relating to the foregoing constitutes a violation of S.C. Code Ann. § 35-1-412(d)(9).

19. The foregoing violation of the Act set forth above provides the basis for this Consent Order and assessment against the Respondent pursuant to S.C. Code Ann. § 35-1-412(c).

20. This Consent Order is appropriate and in the public interest, pursuant to the Act.

## **VI. ORDER**

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

- A. Edward Jones shall permanently **CEASE AND DESIST** from conduct in violation of S.C. Code Ann. § 35-1-412(d)(9);
- B. Edward Jones is **CENSURED** by the Securities Commissioner pursuant to S.C. Code Ann. § 35-1-412(c);
- C. Edward Jones shall provide restitution to the affected South Carolina customers in an amount of no less than \$321,397.88, which represents the portion of the commission on certain small principal equity transactions that exceeded 5% of the principal trade amount during the Relevant Period plus interest in the amount of 6% from the date of each transaction to May 19, 2025. Edward Jones shall provide restitution within one hundred eighty (180) days of execution of this Consent Order;
- D. Restitution shall be in the form of a dollar-for-dollar credit to current customer accounts, or a check for all former customers;

- E. Edward Jones shall provide a notice of restitution (the “Notice Letter”) to customers on terms not unacceptable to the Multi-State Group 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 Division with a list of all the affected South Carolina customers for whom Edward Jones receives a Notice Letter as returned to sender or otherwise noted as undeliverable. To the extent the Division has access to different address information for any of the affected South Carolina customers, Edward Jones shall mail a second Notice Letter to each of these affected South Carolina customers within thirty (30) days of the Division’s providing the alternative addresses;
- F. Within forty-five (45) days of the completion of distribution of restitution, Edward Jones shall prepare and submit to the Division 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 Division within the later 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 Division;
- H. Edward Jones agrees that an employee not unacceptable to the Multi-State Group shall certify in writing to the Division 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 Consent 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 Consent Order;
- K. If Edward Jones is the subject of a bankruptcy petition under Title 11 of the United States Code (whether voluntary or involuntary) within three hundred sixty-five (365) days of the entry of the Consent Order, Edward Jones shall

provide written notice to the Division 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 this Consent Order is intended by Edward Jones and the Division 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 comply with the terms set forth in the Consent Order, then pursuant to S.C. Code Ann. § 35-1-604(g), the Division may petition in the Richland County [South Carolina] Court of Common Pleas to enforce this Consent Order;<sup>1</sup> and
- N. For good cause shown, the Division 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 Division.

### **CONSTRUCTION AND DEFAULT**

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

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<sup>1</sup> However, the failure to comply will not apply to minor deviations with the deadlines set forth in this Order.

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 Securities Commissioner to enforce the obligations in this Consent Order, this Consent Order is not intended to be deemed or used as (a) an admission of, or evidence of, the validity of any alleged wrongdoing, liability, or lack of any wrongdoing or liability; or (b) 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 other tribunal. Nothing in this Consent Order affects Edward Jones's testimonial obligations or right to take legal positions in litigation in which the Securities Commissioner is not a party. Evidence of any compromise offers and negotiations of the parties related to this Consent Order, including this Consent Order and its terms and any conduct or statements made during compromise negotiations, should not be used as evidence against any party in any proceeding to prove or disprove the validity or amount of a disputed claim except in an action or proceeding to interpret or enforce this Consent Order.

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

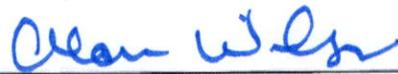
This Consent Order and any dispute related thereto shall be construed and enforced in accordance with, and governed by, the laws of South Carolina without regard to any choice of law principles.

This Consent Order is not intended to state or imply willful, reckless, or fraudulent conduct or breach of any fiduciary duty by Edward Jones, or its affiliates, directors, officers, employees, associated persons, or agents.

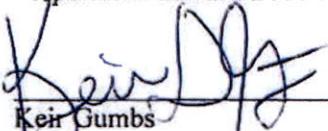
Edward Jones, through its execution of this Consent Order, voluntarily waives its right to a hearing on this matter and to judicial review of this Consent Order under S.C. Code Ann. § 35-1-609.

Edward Jones enters this Consent Order voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Division or any member, officer, employee, agent, or representative of the Division to induce Edward Jones to enter this Consent Order.

ENTERED, this the 25 day of February, 2026.

  
ALAN WILSON  
Securities Commissioner  
State of South Carolina

*Respondent Edward D. Jones & Co., L.P. consents to the terms of the above Consent Order:*

  
Keir Gumbs  
Chief Legal Officer

Date: February 18, 2026

*Reviewed by Counsel for Edward D. Jones & Co., L.P.*

  
Kenyon Hall  
Sidley Austin LLP  
60 State Street, 36th Floor  
Boston, MA 02109

Date: February 19, 2026

*The Securities Division of the Office of the South Carolina Attorney General consents to the above Consent Order:*

By:   
Jonathan B. Williams  
Assistant Deputy Attorney General

Date: Feb. 19, 2026