

Washington DFI Joins \$17 Million Multi-State Enforcement Settlement With Edward Jones

*Multi-State Working Group Finds Supervisory Failures
With Respect to Class A Mutual Fund Shares*

OLYMPIA, WA, UNITED STATES, January 13, 2025 /EINPresswire.com/ -- The Washington State Department of Financial Institutions (DFI) Securities Division joined a \$17 million [settlement](#) with

Edward D. Jones & Co., L.P. (Edward Jones). The settlement (S-19-2768-23-CO01.pdf) is a result of an investigation by DFI and other members of the North American Securities Administrators Association (NASAA). The regulators investigated the broker-dealer's supervision of customers paying front-load commissions for Class A mutual fund shares in light of later moving brokerage assets into fee-based investment advisory accounts.



In partnership with NASAA and other state securities regulators, DFI will continue to protect investors and ensure that companies operating in Washington State follow our securities laws."

DFI Director Charlie Clark

A working group of 14 state securities regulators led the four-year investigation. The group looked into Edward Jones's supervision of customers moving from brokerage

to advisory accounts in light of the 2016 U.S. Department of Labor (DOL) Fiduciary Rule making investment advice to retirement accounts subject to a fiduciary standard of care.

The investigating group found that Edward Jones charged front-load commissions for investments in Class A mutual fund shares in situations where the customer sold or moved the mutual fund shares sooner than originally anticipated. The states also found gaps in Edward Jones's supervisory procedures in this respect.

"In partnership with NASAA and other state securities regulators, DFI will continue to protect investors and ensure that companies operating in Washington State follow our securities laws," DFI Director Charlie Clark said. "Firms that offer both brokerage and investment advisory services should be mindful that customers are receiving the services the customer wants at an appropriate price."

As part of the settlement, Edward Jones will pay each of the 50 states, Washington, D.C., the U.S. Virgin Islands, and Puerto Rico an administrative fine of approximately \$320,000. As a member of the working group, Washington DFI will receive an additional \$15,000 for investigative costs. In

evaluating the supervisory failures and determining the appropriate resolution, the states considered certain facts such as the positive performance of the investment advisory accounts as compared to the brokerage accounts.

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