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PRESS RELEASE

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Maryland Enters \$17 Million Multistate Enforcement Settlement with Stock Brokerage Firm Edward Jones *Multistate Working Group Finds Supervisory Failures with Respect to Class A Mutual Fund Shares*

BALTIMORE, MD (January 17, 2025) – Attorney General Anthony G. Brown’s Securities Division, as a member of the North American Securities Administrators Association (NASAA), has joined a \$17 million settlement with Edward D. Jones & Co., L.P. (Edward Jones) resulting from an investigation into 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.

“Maryland’s securities laws protect not just investors but the integrity of our State’s economy,” **said Attorney General Brown.** “Investment firms must ensure their practices align with their customers’ best interests and avoid taking advantage of regulatory changes to increase profits.”

The four-year investigation was led by a working group of 14 state securities regulators and examined 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 that would make investment advice to retirement accounts subject to a fiduciary standard of care.

The investigation 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 found gaps in Edward Jones’s supervisory procedures in this respect.

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. 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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