

**NORTH CAROLINA DEPARTMENT OF INSURANCE  
RALEIGH, NORTH CAROLINA**



**STATE OF NORTH CAROLINA  
COUNTY OF WAKE**

**BEFORE THE COMMISSIONER  
OF INSURANCE**

**IN THE MATTER OF THE LICENSURE      VOLUNTARY SETTLEMENT  
OF EDWARD D. JONES & CO., L.P.      AGREEMENT  
DBA EDWARD JONES  
CORPORATE LICENSE NO. 1000007291**

**NOW COME**, EDWARD D JONES & CO., L.P. (hereinafter "EDWARD JONES") and the Agent Services Division of the N.C. Department of Insurance (hereinafter "Agent Services Division"), and hereby voluntarily and knowingly enter into the following Voluntary Settlement Agreement (hereinafter "this Agreement").

**WHEREAS**, the Agent Services Division has the authority and responsibility for enforcement of the insurance laws of this State, and for regulating and licensing insurance agents and business entities that sell, solicit, or negotiate insurance contracts; and

**WHEREAS**, EDWARD JONES currently holds a non-resident Business Entity License with the Department; and

**WHEREAS**, North Carolina General Statute § 58-33-31(b)(2) requires business entities to designate a licensed producer (DRLP), who is a natural person, responsible for the business entity's compliance with the insurance laws and administrative rules of this State and orders of the Commissioner; and

**WHEREAS**, North Carolina General Statute § 58-33-32(k) requires producers to report to the Commissioner any administrative action taken against the producer in another state or by another governmental agency in this State, including enforcement actions taken against the producer by the Financial Industry Regulatory Authority (FINRA), within 30 days after the final disposition of the matter; and

**WHEREAS**, there were fifty-five (55) administrative actions taken by state and territory regulators against Edward Jones, with fifty-two (52) of which, according to Edward Jones, were taken following an investigation by a multi-state task force coordinated among members of the North American Administrators Association (NASAA) of its conduct; and

**WHEREAS**, the fifty-two (52) actions resulted in Consent Orders entered into by Edward Jones found that Edward Jones' general strategy with respect to the brokerage business has been to focus on helping the serious long-term individual investors. With respect to mutual funds, Edward Jones provided information and disclosures to aid in the client's choices of mutual funds offering more than one class of shares, and carrying different surcharges commonly referred to as "loads." The most common of which were Class A shares for which the price included a single front load. Front loads on Class A shares can vary but can be up to five percent of the value of the initial investment. In or about 2013 Edward Jones

conducted research to explore new types of products, including new investment services which differed from brokerage-only accounts. Edward Jones, in addition to its brokerage-only accounts. In April 2016, the US Department of Labor adopted its fiduciary rule providing that advice to retirement accounts would be subject to a federal standard of care. Edward Jones, in addition to its brokerage account option offered an advisory account known as Guided Solutions, that offered certain ongoing management services for which Edward Jones assessed fees for investment advisory services as well as allocation guardrails.

Between 2016 and 2018 it was estimated that certain Financial Advisors serviced brokerage customers, who became Guided Solutions advisory clients, had paid more than \$10 million in front-end loads for Class A shares that was retained by Edward Jones and not applied to offset the new investment advisory fees. It was determined that Edward Jones did not have reasonably designed procedures with respect to its activities as a broker dealer which would have detected to conduct relating to the holding of Class A mutual funds; and

**WHEREAS**, by not timely reporting these administrative actions taken with respect to its license within 30 days after the final disposition of those matters, EDWARD JONES was in violation of North Carolina General Statute § 58-33-32(k); and

**WHEREAS**, North Carolina General Statute § 58-33-46(a)(2) provides that the Commissioner may place on probation, suspend, revoke, or refuse to issue or renew any license issued under Article 58 of the General Statutes of North Carolina for violating any insurance law of this or any other state, violating any administrative rule, subpoena, or order of the Commissioner or of another state's regulator; and

**WHEREAS**, EDWARD JONES has agreed to settle, compromise, and resolve the matter referenced in this Agreement on behalf of itself, and the Agent Services Division has agreed not to pursue additional penalties, sanctions, remedies, or restitution based on these matters against EDWARD JONES; and

**WHEREAS**, the parties to this Agreement mutually wish to resolve this matter by consent before the Agent Services Division initiates an administrative hearing and have reached a mutually agreeable resolution of this matter as set out in this Agreement.

**NOW, THEREFORE**, in exchange for the consideration and promises and agreements set out herein, EDWARD JONES and the Agent Services Division hereby agree to the following:


1. Immediately upon the signing of this Agreement, EDWARD JONES shall pay a civil penalty of **\$5500.00** to the Department. The form of payment shall be by certified check, cashier's check, or money order. The check or money order for the payment of this civil penalty shall be payable to the "North Carolina Department of Insurance." EDWARD JONES shall remit the civil penalty by certified mail, return receipt requested, to the Agent Services Division at 3200 Beechleaf Court, Raleigh N.C. 27604 along with a copy of this signed Agreement. The civil penalty and the signed Agreement must be received by the Agent Services Division no later than **September 25, 2025**.
2. This Agreement does not in any way affect the Agent Services Division's disciplinary power in any future examination of EDWARD JONES or in any other complaints involving EDWARD JONES.





3. EDWARD JONES enters into this Agreement, on behalf of itself, freely and voluntarily and with the knowledge of its right to have an administrative hearing on this matter. EDWARD JONES understands it may consult with an attorney prior to entering into this Agreement.
4. The parties to this Agreement agree that this Agreement shall have the full force and effect of an Order of the Commissioner. EDWARD JONES understands that N.C.G.S. § 58-33-46(a)(2) provides that a producer's license may be revoked for violating an Order ++of the Commissioner.
5. This Agreement, when finalized, will be a public record and will **not** be held confidential by the Agent Services Division. Following the execution of this Agreement, all licenses issued by the Agent Services Division to EDWARD JONES shall reflect that Regulatory Action has been taken against it. The Agent Services Division is free to disclose the contents of this Agreement with third parties upon request or pursuant to any law or policy providing for such disclosure. The Agent Services Division, upon request, will provide a copy of a voluntary settlement agreement to any company that has appointed the licensee.
6. The parties have read and understand this Agreement and agree to abide by the terms and conditions stated herein.
7. Be aware that if a state or federal regulator other than the Agent Services Division has issued an occupational or professional license to your business entity, that regulator may require you to report this administrative action to it. The Agent Services Division cannot give you legal advice as to the specific reporting requirements of other state or federal regulators

**EDWARD D. JONES & CO., L.P.  
DBA EDWARD JONES  
CORP. LICENSE NO. 1000007291**

**NC. Department of Insurance  
Agent Services Division**

By:  Jason Habermeyer  
Associate General Counsel

By:  Joe Wall  
Deputy Commissioner 

Date: 9/2/2025

Date: 09/03/2025