

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE STATE AUDITOR
STATE OF MONTANA**

IN THE MATTER OF:)	Case No.: SEC-2010-32
)	
EDWARD JONES,)	
a Broker-Dealer firm (CRD #250),)	CONSENT AGREEMENT AND
)	FINAL ORDER
Respondent.)	
_____)	

This Consent Agreement and Final Order (Agreement) is entered into by the Montana Securities Department (Department), acting pursuant to the authority of the Securities Act of Montana, Mont. Code Ann. § 30-10-101, *et seq.*, (Act) and Edward Jones (Respondent), with a principal place of business located at 12555 Manchester Road, St. Louis, MO 63131.

RECITALS

WHEREAS, on March 1, 2010, the Respondent contacted the Department about the possible misappropriation of money by Anne Marie Schlenker (Schlenker), a registered salesperson and investment adviser for the Respondent;

WHEREAS, due to Schlenker's actions, some of Respondent's investors suffered monetary losses;

WHEREAS, the Department alleges that the Respondent violated Admin. R. Mont. 6.10.504 by failing to make, maintain, and preserve books and records to ensure Schlenker's compliance with the Act;

WHEREAS, the Department and the Respondent agree that the best interests of the public would be served by entering into the Agreement.

NOW THEREFORE, in consideration of the mutual undertakings contained in this Agreement, the Department and the Respondent hereby agree to settle this matter pursuant to the following terms and conditions:

STIPULATIONS AND CONSENTS

I. Without admitting or denying any of the Department's allegations, the Respondent stipulates and consents to the following:

A. Offer to pay a total of \$349,464.92 in Restitution to the customers identified in **Exhibit A** attached hereto. For the three customers who have not yet received Restitution from the Respondent, the Respondent shall offer to pay the Restitution in accordance with the following terms and conditions:

1. By certified or registered mail within ten days after the date of this Agreement, the Department shall provide a notice to each customer identified in **Exhibit A** who has not yet received restitution, specifying the final allocated amount available to the customer.

2. An identified customer seeking to claim funds as provided in **Exhibit A** shall execute a release and assignment of claims on a form acceptable to the Department. The form of document entitled Acknowledgment of Funds, Release, and Assignment shall acknowledge (i) acceptance of funds, (ii) that such funds constitute a release of any claims by the customer with respect to securities transactions conducted by Schlenker through Respondent, and (iii) assign any claims the customer may have against third parties. No funds shall be distributed to any customer without receipt of an executed form. The customer shall return

the executed form to the Department and within five days of receipt, the Department shall forward the original executed form to the Respondent.

3. All Restitution claims and all documents required for distribution executed by the customers must be made within 20 days of receiving notice from the Department of their allocated amount.

4. Within ten days of receipt of the original executed form, the Respondent shall distribute the amount identified in **Exhibit A** to the customer.

5. The Respondent will either credit a customer's account held by Respondent with the allocated amount or issue a check payable to the customer.

B. Pay a fine in the amount of \$100,000, via check made payable to the state of Montana, which shall be paid within ten days of the date of this Agreement.

C. Within 45 days of the date of this Agreement, the Respondent shall implement a review of identified types of negative confirmation letters sent to Montana customers concerning a money or securities transfer from their account. If at least two such negative confirmation letters are generated from any Montana branch, two randomly selected customers will be contacted to confirm the receipt of the negative confirmation letter. The Respondent shall provide monthly reports to the Department that include the following:

1. Customer's name, address, and telephone number;
2. Date negative confirmation letter was mailed;

3. Date contacted via telephone by the Respondent;
4. Whether the customer received the negative confirmation letter; and
5. If known, the reason why the customer did not receive the negative confirmation letter, if the customer did not receive the negative confirmation letter.

This process will continue until the Respondent implements a process to retain copies of identified types of negative confirmation letters dealing with transfers of money or securities from customer accounts.

D. Beginning on or about May 1, 2011, the Respondent shall retain copies of all identified types of negative confirmation letters concerning transfers of money or securities from customer accounts mailed to each Montana customer.

E. Within six months from the date of this Agreement, the Respondent shall undertake a review of the Respondent's current written supervisory procedures to determine if such procedures should be improved with regard to the execution of blank letters of authorization.

F. The Respondent fully and forever releases and discharges the Commissioner, the Department, and all Department employees and agents from any and all actions, claims, causes of action, demands, or expenses for damages or injuries, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of this Agreement.

G. This Agreement is entered without adjudication of any issue, law or fact. It is entered into solely for the purpose of resolving the Department's

investigation and allegations, and is not intended to be used for any other purpose. For any person or entity not a party to this Agreement, this Agreement does not limit or create any private rights or remedies against the Respondent including, limit or create liability of Respondent, or limit or create defenses of Respondent, to any claims.

H. Upon execution of this Agreement, the Respondent acknowledges and waives its right to appeal the Commissioner's Order.

II. The Department and the Respondent agree and acknowledge:

A. This Agreement constitutes the entire agreement between the parties and that no other promises or agreements, either express or implied, have been made by the Department or by any member, officer, agent or representative of the Department to induce Respondent to enter into this Agreement.

B. This Agreement may not be modified orally and any subsequent modifications to this Agreement must be mutually agreed upon in writing to be effective.

C. This Agreement shall be incorporated into and made a part of the attached Final Order issued by the Commissioner herein.

D. Upon execution of this Agreement, the Department will not commence an administrative action against the Respondent based upon the activities giving rise to the Department's investigation that occurred prior to the execution of this Agreement.

E. This Agreement shall be effective upon signing of the Final Order.

F. This Agreement and Final Order are public records under Montana law and as such may not be sealed or otherwise withheld from the public.

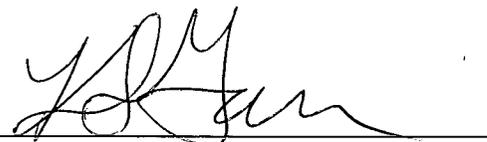
DATED this 9th day of November, 2010.

SECURITIES DEPARTMENT

By: 
JESSE LASLOVICH
Chief Legal Counsel

DATED this 2nd day of November, 2010.

EDWARD JONES

By: 
KIMBERLY S. GANNON
Sr. Associate General Counsel

FINAL ORDER

Pursuant to the authority vested by Mont. Code Ann. § 2-4-603 and Mont. Code Ann. §§ 30-10-101, *et seq.*, and upon review of the foregoing Consent Agreement and good cause appearing therefore,

IT IS HEREBY ORDERED that the foregoing Consent Agreement between the Securities Department and the Respondent, Edward Jones, is adopted as if set forth fully herein.

DATED this 9th day of November, 2010.

MONICA J. LINDEEN
Commissioner of Securities and Insurance
Montana State Auditor

By:  _____
LYNNE EGAN
Deputy Commissioner of Securities

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE STATE AUDITOR
STATE OF MONTANA**

IN THE MATTER OF:)	Case No.: SEC-2010-32
)	
EDWARD JONES,)	EXHIBIT A
a Broker-Dealer firm (CRD #250),)	
)	CUSTOMER LIST AND
Respondent.)	IDENTIFIED LOSSES
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9/16 Pursuant to the Consent Agreement Final Order (Agreement) dated November
_____, 2010, between the Montana Securities Department (Department) and the
Respondent, the following is a list of each customer who, upon execution of a release and
assignment of claims, is entitled to payment as follows:

T.H.:	\$ 12,377.50
W.C.:	\$ 14,046.79
D.A.:	\$ 96,838.63
N.N.:	\$ 142,480.24
T.P.:	\$ 81,061.21
K. & S. F.:	\$ 2,660.55

CERTIFICATE OF SERVICE

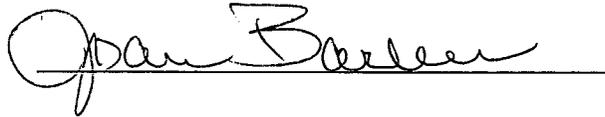
The undersigned hereby certifies that this 10th day of November, 2010, a true and correct copy of the foregoing Consent Agreement and Final Order was served upon the following by hand delivery or by depositing the same in the United States mail postage paid and addressed as follows:

VIA USPS:

Edward Jones
Kimberly Gannon, Esq.
12555 Manchester Road
St. Louis, MO 63131

VIA HAND DELIVERY:

Jesse Laslovich, CSI Chief Legal Counsel

A handwritten signature in cursive script, appearing to read "Joan Barber", is written over a horizontal line.