UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9889 / August 13, 2015

SECURITIES EXCHANGE ACT OF 1934
Release No. 75688 / August 13, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16751

In the Matter of **EDWARD D. JONES & CO., L.P.,** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(b), 15B(c), AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Sections 15(b), 15B(c), and 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Edward D. Jones & Co., L.P. ("Edward Jones" or "Respondent").

II.

In anticipation of the institution of these proceedings, Edward Jones has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, which are admitted, Edward Jones consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b), 15B(c), and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

Summary

1. This matter concerns improper practices involving municipal securities by Edward Jones, a retail-oriented broker-dealer based in St. Louis, Missouri. As an underwriting co-managing syndicate member for new issue negotiated municipal securities, in certain instances Edward Jones failed to make bona fide public offerings to its customers at initial offering prices. In the secondary market for municipal securities, Edward Jones failed to have internal controls to prevent certain improper trading practices.

2. With respect to underwriting new issue municipal bonds, from at least February 2009 to December 2012 (the "Relevant Period"), and in violation of its fundamental obligations as a member of the underwriting syndicate, Edward Jones' municipal syndicate desk, in several negotiated offerings where it served as a co-manager, obtained new issue municipal bonds for its own inventory and then offered those bonds to customers for prices higher than the initial offering prices negotiated with the issuer before the bonds began trading. In some of these instances during the Relevant Period, Edward Jones' municipal syndicate desk refrained entirely from offering new issue municipal bonds to its customers at any price until after the bonds began trading, at which point the firm offered and sold the bonds to its customers at prices above the initial offering prices.

3. Edward Jones' sale of municipal bonds to its customers at prices higher than initial offering prices increased its revenues from municipal underwriting. During the Relevant Period, the firm collected at least $4.647 million in revenue with these practices through the offer and sale of about 156 different bonds in 75 negotiated offerings in which Edward Jones served as a co-manager. This amount was in addition to fees that Edward Jones earned as a member of the syndicate for certain of those offerings. Edward Jones' misconduct harmed its customers by causing them to pay prices higher than the initial offering prices for municipal bonds. In addition, in one instance, Edward Jones' misconduct resulted in an adverse federal tax determination for one municipal issuer, creating a risk that the issuer could lose valuable federal tax subsidies.

4. With respect to trading municipal bonds in the secondary market, between January 2011 and October 2013, Edward Jones failed to establish an adequate supervisory system to identify and review certain of Edward Jones' customer orders to buy and sell municipal securities. As a result, Edward Jones was unable to adequately monitor whether the markups it charged for certain transactions were reasonable.[2]

---

[1] The findings herein are made pursuant to the Offer of Edward Jones. These findings are not binding on any other person or entity in this or any other proceeding.

[2] A markup is generally considered to be the difference between the prevailing market price of the security and the higher price paid by the customer to the dealer.

5. Beginning in 2013, Edward Jones began to undertake significant remedial measures related to the underwriting and secondary trading of municipal bonds, including the disclosure of the percentage and dollar amount of markups/markdowns on all of its fixed income retail order confirmations, the hiring of additional compliance personnel, and the adoption and implementation of new and enhanced supervisory procedures.

6. As a result of the conduct described herein, Edward Jones willfully violated Sections 17(a)(2) and (3) of the Securities Act, Section 15B(c)(1) of the Exchange Act, and Rules G-17, G-11(b) and (d), G-27, and G-30(a) of the Municipal Securities Rulemaking Board ("MSRB"), and failed reasonably to supervise within the meaning of Section 15(b)(4)(E) of the Exchange Act.[3]

Respondent

7. **Edward D. Jones & Co., L.P.**, a Missouri limited partnership, is a retail-oriented broker-dealer based in St. Louis, Missouri, with nearly 7 million retail customers and over 12,000 registered representatives, known as financial advisors ("FAs"). Edward Jones is the principal operating subsidiary of the Jones Financial Companies, L.L.L.P., a Missouri limited partnership whose interests are registered under Section 12(g) of the Exchange Act. Edward Jones is registered with the Commission as a broker-dealer and an investment adviser, and is a municipal securities dealer under Section 3(a)(30) of the Exchange Act.

Related Individual

8. **Stina R. Wishman**, age 50, resides in Warren County, Missouri. After joining Edward Jones in 1982, Wishman started and headed the firm's municipal syndicate desk. She served in that role from 1993 until June 2013. Wishman retired from the firm in July 2014. During the relevant period, she held Series 7, 53, and 63 licenses.

Background on Negotiated Offerings of Municipal Bonds

9. Municipalities often raise money by issuing to the public new bonds that are sold through an underwriting process. In what is known in the industry as a "negotiated" offering, the municipal issuer will choose an underwriter to act either as the sole underwriter or as the senior manager of the underwriting syndicate. A syndicate is a group of broker-dealers that join together to purchase new issue municipal securities from the issuer for the purpose of distributing those securities and consists of a senior manager, who leads the offering, and co-managing underwriters, or "co-managers." This matter involves Edward Jones' role as a co-manager in syndicates that underwrote and sold municipal bonds to the public through negotiated offerings.

[3] A willful violation of the securities laws means merely "'that the person charged with the duty knows what he is doing.'" Wonsover v. SEC, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting Hughes v. SEC, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "'also be aware that he is violating one of the Rules or Acts.'" Id. (quoting Gearhart & Otis, Inc. v. SEC, 348 F.2d 798, 803 (D.C. Cir. 1965)).

10. The municipal issuer usually compensates the syndicate for its services in distributing the bonds by selling the bonds to the syndicate at a discount to the "initial offering price," the price at which the bonds are offered to the investing public by the syndicate at the time of original issuance. The difference between the initial offering price and the discounted price for the syndicate is the "underwriters' discount" or "underwriters' spread."

Formation of the Underwriting Syndicate and Obligation to Offer Bonds At Initial Offering Prices

11. Syndicates typically have an agreement in place which sets forth the contractual relationship between the senior manager and the co-managers, known as an Agreement Among Underwriters ("AAU"). AAUs memorialize the standard terms of an underwriting for all subsequent transactions in which the parties to the AAU may participate. Template AAUs that are specifically tailored for negotiated municipal offerings are published by industry associations and are used commonly by active municipal underwriters.

12. During the Relevant Period, underwriters that used the template AAUs for negotiated municipal offerings were obliged, under those agreements, to make a public offering of all bonds at the initial offering price in effect at the time they were allocated bonds by the issuer and senior manager. Market participants have long understood the AAU to place an obligation on the syndicate members, as parties to the agreement, to offer and attempt to sell the bonds at the initial offering prices negotiated with the issuer before the bonds begin trading.

13. In addition to the agreed-upon terms of the AAU, municipal underwriters adhere to a well-established industry practice in negotiated offerings that requires them, when part of a syndicate, to offer and attempt to sell all of the bonds at the initial offering prices for a certain period of time. These limitations are known as "syndicate restrictions," and are generally in effect until the expiration of those restrictions. Among other things, syndicate restrictions ensure that the bonds are sold at the price which the issuer and the syndicate have agreed to sell them.

Pricing of Municipal Bonds

14. Once the syndicate is formed, the senior manager solicits the co-managers for their views on the prices for the various bonds to be issued. The senior manager then negotiates with the issuer over the terms of the offering, specifically the maturities, interest rates, and initial offering prices for the bonds. Thereafter, the senior manager notifies the co-managers of the preliminary pricing for the bonds and the terms of the order period(s) to be held for the bonds.

15. Generally, the syndicate is the only source of pricing and other information about the bonds to be issued before and during the order period(s). Retail investors, in particular, must rely on communications from their broker-dealer, acting in the capacity of underwriter, to learn about pricing and other offering details before the bonds begin trading. Ultimately, the initial offering prices are printed on the cover page of the final disclosure document, known as the Official Statement ("OS"), which typically is released days after the bonds begin trading.

Order Periods and the Determination of Order Priorities for Municipal Bonds

16. The "order period" in negotiated offerings is a period of time, often not longer than a few hours, during which the senior manager solicits preliminary orders known as indications of interest[4] from the syndicate members for municipal bonds on behalf of their customers. There are two types of order periods: an initial, generally longer order period for retail customers, and a subsequent, generally shorter order period for institutional investors. Although institutions are typically precluded from participating in retail order periods, syndicate members may submit orders on behalf of retail customers during either order period.

17. Often, orders for municipal bonds exceed the amount of bonds available. Although the senior manager ultimately decides which orders will, and will not, be filled, its decision-making process is governed by written "priority provisions" which, under MSRB Rule G-11, must be established and circulated to the entire syndicate by the senior manager before the first offer of any bonds. Priority provisions, also known as the "priority of orders," establish the sequence in which bonds will be allocated to specific order types.

18. One type of order, called a "group net" order,[5] typically has a higher priority and, thus, increases the likelihood that those co-managers who place them will have their order filled over competing orders. Bonds acquired in a group net order are acquired at the initial offering price. MSRB Rule G-11 requires that any syndicate member submitting an order identify whether that order is for its own dealer account, and if a "group net" order, the identity of the person for whom the order is submitted. Importantly, effective October 2010 and with some exclusions not relevant here, MSRB Rule G-11 explicitly requires that underwriters give priority to customer orders over orders for their own dealer accounts.

19. Before the AAU is executed, syndicate members typically engage in initial efforts to inform their sales force and customers of the upcoming bond offering. Once the senior manager provides preliminary pricing information, syndicate members can solicit orders from their customers and provide feedback to the senior manager, which may adjust the pricing after talks with the issuer. After the order period(s) closes, the senior manager evaluates the submitted orders, allocates bonds according to the priority provisions, and communicates the exact final prices and coupons for each maturity to the rest of the syndicate through a final pricing wire.

Bond Purchase Agreements, Underwriters'
Certificates, and the Lifting of Syndicate Restrictions

20. The allocation and the pricing of the municipal bonds to be issued are conditioned upon the execution of the bond purchase agreement (the "BPA") between the issuer and the

[4] Indications of interest are non-binding pre-sale orders for a forthcoming issue of new municipal bonds. Although contractually such orders cannot be deemed to be executed until a bond purchase agreement is entered into by the issuer and the underwriters, in reality the prospective purchases are not tentative – indications of interest are often eventually filled by the underwriters without any subsequent consultation with the purchasers.

[5] A "group net" order is an order made on behalf of the syndicate account, which benefits all syndicate members according to their percentage participations in the account. If allocated, a group net order is allocated at the public offering price without deducting the concession or takedown.

senior manager on behalf of the syndicate, which sets forth the respective responsibilities of the parties in connection with this sale, including the final negotiated price at which each bond initially will be sold to investors, known alternately as the "public offering price" or the "initial offering price." Many BPAs include an explicit agreement by the syndicate to offer all of the bonds to be issued at the final offering price negotiated with the issuer.

21. The price at which new issue bonds are sold is important for ensuring compliance with the applicable laws governing the issuance of tax-exempt and other municipal securities. To that end, the senior manager, on behalf of the entire syndicate, typically provides a certificate on the settlement date which is relied upon by bond counsel and the issuer for tax compliance purposes. This certificate is known in the industry as the "underwriters' certificate" or the "issue price certificate."

22. Among other things, many underwriters' certificates include representations that the syndicate made a bona fide public offering of all of the bonds at the initial offering prices set forth in the OS, that the syndicate reasonably expected that all of the bonds would be initially sold to the public at the initial offering prices set forth in the OS at the time the bonds were purchased by the syndicate, and that at least ten percent of each maturity of the bonds was first sold to the public (subject to certain exclusions) at the initial offering prices set forth in the OS.

23. The senior manager promptly informs the syndicate once the BPA is executed, while syndicate restrictions are still in effect, so that the syndicate members can then execute the previously placed orders with their customers at the initial offering price. Afterward, the senior manager often, but not always, sends a communication to the rest of the syndicate called the "free-to-trade wire," which lifts the various syndicate restrictions and allows syndicate members to trade the bonds at prices other than the initial offering prices.

The Creation of Edward Jones' Municipal Syndicate Desk

24. Wishman created Edward Jones' municipal syndicate desk in 1993 so that the firm could have the opportunity to obtain better access to new issue bonds for its retail customers. Issuers often included the firm in syndicates because of the firm's well-known, geographically-dispersed retail customer base.

25. Wishman supervised the municipal syndicate desk from its creation until 2013 and was primarily responsible for overseeing Edward Jones' underwriting of new issue municipal bonds. She had responsibilities related to the syndicate desk's compliance with applicable securities laws and regulations, including MSRB rules. As part of those responsibilities, she assisted in conducting an annual review of certain written supervisory procedures that applied to the municipal syndicate desk, checking for conformity with such applicable securities laws, regulations, and MSRB rules.

26. Over the years, Wishman became familiar with, and had extensive experience with, AAUs, BPAs, and underwriters' certificates, and signed the majority of Edward Jones' AAUs. She understood that the phrase "bona fide public offering" meant that Edward Jones was

required to make the bonds available at the public offering price during the order period and that no changes could be made to that price until the syndicate restrictions were lifted.

Edward Jones Improperly Offered and Sold Certain New
<u>Issue Municipal Bonds at Prices Higher than the Initial Offering Prices</u>

27. Despite Wishman's experience with and knowledge of the applicable standards, from at least the beginning of the Relevant Period, she and Edward Jones' municipal syndicate desk offered and sold certain new issue municipal bonds to Edward Jones' customers at prices above the initial offering prices (the "Relevant Issuances").[6] Between 2009 and 2012, Edward Jones collected at least $4.647 million in additional revenue through the sale of 156 different maturities in 75 different negotiated offerings at prices higher than the initial offering price.

28. In certain co-managed, negotiated transactions during the Relevant Period as further detailed below, Wishman and the municipal syndicate desk at Edward Jones improperly offered out particular bonds to customers from its inventory at prices above the initial offering prices while syndicate restrictions remained in effect. In these instances, Wishman and Edward Jones' municipal syndicate desk typically placed orders with the lead underwriter for specific maturities for the firm's own inventory during the order period, but did not give their customers an opportunity to similarly participate. Once Edward Jones' municipal syndicate desk obtained an allocation of those bonds and took them into inventory, and while syndicate restrictions remained in effect, the firm offered the securities to customers from its own inventory at prices above the initial offering prices in these transactions. There is a substantial likelihood that these customers would have considered the pricing of these bonds by Edward Jones to be significant.

29. For example, in November 2009, Edward Jones acted as a co-managing underwriter of a $38.83 million issuance of Taxable Sales Tax Revenue Bonds, Series 2009 (the "Amarillo Bonds") by the Amarillo Economic Development Corporation. Edward Jones' syndicate desk did not inform its FAs about this offering until after the order period for these bonds closed, effectively foreclosing the firm's customers from having the opportunity to place orders at the initial offering price. Nevertheless, the firm placed an order for its own inventory during the institutional order period and obtained an allocation of $3.665 million, representing approximately 10% of the two term bonds maturing in 2019 and 2030. After the close of the order period but before the Amarillo Bonds began trading, Edward Jones offered the bonds out to its customers at prices above the initial offering prices for those maturities.

30. In contrast to Edward Jones, the other underwriters for this deal sold their entire allocations of the 2019 and 2030 maturities at the initial offering price. Edward Jones made over $79,000 from improperly selling as principal (that is, for its own account) the 2019 and 2030 maturities of Amarillo Bonds at prices above the initial offering prices, in addition to its share of the underwriters' discount for the transaction.

31. Normally syndicate members submit orders for their own account as "member" or "stock" orders, which have lower priority. To obtain bonds for its inventory when acting as a co-manager on the Relevant Issuances, Edward Jones' municipal syndicate desk, in part through

[6] The Relevant Issuances are described in the Appendix, an attachment to this Order.

Wishman, often placed “group net” orders with the senior managers, without explicitly stating that the orders were for its own dealer account, in violation of MSRB Rule G-11. Pursuant to industry practice and MSRB rules, a group net order can be placed for a dealer’s own account, but it would have to be disclosed that the order was for stock, that is, for the dealer’s own account. For example, although the software platform often used by Edward Jones’ municipal syndicate desk to submit orders sometimes contained fields that would have allowed it to clarify to the senior manager that the group net orders were for Edward Jones’ inventory, in certain instances, Wishman and Edward Jones’ municipal syndicate desk failed to explicitly disclose to the senior manager, at the time of submission, that these group net orders were for the firm’s inventory (i.e., the firm’s dealer account). This practice of placing “group net” orders not accompanied with a disclosure that they were for the firm’s own inventory had the potential to mislead certain senior managers about the true nature of the orders and may have caused them to make allocations of bonds that they otherwise would not have made.

32. In July 2010, for example, although there was a priority for retail orders, Edward Jones offered St. Johns, Michigan Public Schools 2010 School Building and Site Bonds, Series B (the “St. Johns’ Bonds”) to its customers at prices above the initial offering price while syndicate restrictions were in effect.

33. Despite being notified by the senior manager that Michigan retail investors had priority in the offering, Wishman and Edward Jones did not offer any of the St. Johns’ Bonds to the firm’s Michigan customers prior to, or during, the order period for those bonds. Instead, Wishman submitted “group net” orders for the St. Johns’ Bonds to the senior manager that did not specify that the orders were for the firm’s own account. On the basis of these orders, on July 15, 2010, the senior manager allocated three maturities of the St. Johns’ Bonds to Edward Jones.

34. The next day, July 16, 2010, while syndicate restrictions were in effect, Wishman and Edward Jones offered out all three maturities of the St. Johns’ Bonds to their customers from the firm’s inventory at prices above the initial offering price. Edward Jones then sold, as principal, its entire allocation of St. Johns’ Bonds to its customers out of its inventory at prices above the initial offering price. No other member of the underwriting syndicate sold the 2035 and 2040 maturities of the St. Johns’ Bonds at any prices other than the initial offering price.

35. In addition to its portion of the underwriters’ discount from this transaction, Edward Jones earned over $190,000 from improperly selling St. Johns’ Bonds that it had obtained as an allocation in the primary offering for prices above the initial offering prices.

36. In other negotiated offerings for which Edward Jones served as a co-managing underwriter during the Relevant Period, Wishman and the municipal syndicate desk initially offered out the bonds at the correct initial offering prices to its customers. However, in these instances, the firm’s municipal syndicate desk would then increase the prices of the bonds while syndicate restrictions were in effect, and would offer and sell the bonds to its customers above the initial offering prices.

37. During the Relevant Period, Edward Jones offered a total of 90 bonds in 32 negotiated transactions to its customers at prices above the initial offering prices while syndicate

restrictions were in effect, either through the initial offer or through a later price increase after an offer at the initial offering price.

Edward Jones Improperly Failed to Offer its
<u>Customers Certain New Issue Municipal Bonds at Any Price</u>

38. In certain negotiated municipal offerings for which Edward Jones served as a co-manager during the Relevant Period, the firm failed to offer the new issue bonds to its customers at all before trading in those bonds began. Nevertheless, in these instances, Edward Jones obtained an allocation of new issue municipal bonds for its own inventory during the institutional order period and then offered them to its customers at prices higher than the initial offering prices after trading began. Edward Jones thus did not provide its customers the opportunity to place orders to the syndicate account for new issue municipal bonds prior to or during the order period at the initial offering price. This is an opportunity that should have been afforded to Edward Jones' customers because the firm was a member of the underwriting syndicate.

39. During the Relevant Period, while acting as a co-manager, Edward Jones' municipal syndicate desk offered municipal bonds to its customers only <u>after</u> trading in the bonds began in a total of 29 negotiated transactions. In these transactions, the firm failed to offer a total of 45 bonds at any price before trading began. When Edward Jones ultimately did offer these particular bonds to its customers, it did so at prices above the initial offering prices.

40. In an additional 14 negotiated offerings involving 21 different bonds, Edward Jones could not produce any documentation, such as messages from its internal communication system or other communications, which would indicate its municipal syndicate desk took steps to make a bona fide offering of the municipal bonds before trading in the bonds began.

Edward Jones Improperly Offered and
<u>Sold Build America Bonds in Primary Offerings</u>

41. Wishman and Edward Jones' municipal syndicate desk also engaged in the improper offer and sale practices discussed above in connection with a specific type of taxable municipal bond called a Build America Bond ("BAB").[7] Effective between 2009 and 2010, the BAB program provided a deep federal subsidy to municipal issuers (equal to 35% of the taxable interest) in lieu of the traditional tax-exemption, and was intended to lower issuers' net borrowing costs. In April 2009, Wishman received an IRS Notice with information about BABs.

<u>Nebraska Public Power District BAB Offering</u>

42. In 2009, Edward Jones served as a co-managing underwriter on a $168.245 million negotiated offering of BABs and other general revenue bonds by the Nebraska Public Power District ("NPPD"). The AAU between Edward Jones and the senior manager provided

[7] The American Recovery and Reinvestment Act of 2009 authorized state and local governments to issue BABs to provide liquidity for municipal financing of capital projects in the midst of the financial crisis. <u>See</u> Pub. L. No. 111-5, 123 Stat. 115 (2009) (enacted Feb. 17, 2009).

that Edward Jones agreed to offer the securities at the offering price in effect at the time the bonds were sold to the firm. As discussed below, however, Wishman and Edward Jones' municipal syndicate desk failed to make a bona fide public offering of the NPPD BABs to the firm's customers at the initial offering prices.

43. On the morning of June 10, 2009, after Edward Jones joined the syndicate, Wishman notified the firm's financial advisors in Nebraska (the "Nebraska FAs") that the retail order period for the non-BABs series of the NPPD bonds ran until 11:00 a.m. Central Time and asked the Nebraska FAs to offer them to their customers. However, Wishman did not inform the Nebraska FAs of the details regarding the order period for the NPPD BABs, which did not have a retail priority, either before or during the order period. As a result, the Nebraska FAs therefore did not offer the BABs to their customers at that time.

44. Instead, on June 10, 2009, Wishman placed two "group net" orders for both maturities of NPPD BABs. However, the firm's "group net" orders did not explicitly state that they were for the firm's own inventory. The senior manager employee responsible for reviewing orders and making allocations of the NPPD bonds, in conjunction with the issuer, testified that he understood from the language of Edward Jones' orders that they were group net orders on behalf of Edward Jones' retail customers.

45. The senior manager filled Edward Jones' entire orders for NPPD BABs on June 10 at par. The senior manager informed Edward Jones that it had been allocated $100,000 of the 2026 maturity and $10 million of the 2035 maturity, and that the initial offering price was 100 (i.e., par).

46. On the afternoon of June 10, after the BABs order period closed but before syndicate restrictions were lifted, Wishman informed Edward Jones' Nebraska FAs of the NPPD BAB allocations and instructed them to offer those bonds out to customers at prices higher than the initial offering prices. Edward Jones offered the 2026 maturity of NPPD BABs at 102 and the 2035 maturity of NPPD BABs at 103, both above the initial offering price.

47. On June 11, 2009, the senior manager sent a final pricing wire to the syndicate that set the initial trading time of NPPD bonds for 2:15 p.m. Eastern Time ("ET") that day. At 2:36 p.m. ET that day, the senior manager sent a free-to-trade wire to the rest of the syndicate regarding the NPPD taxable bonds and BABs which read: "Effective immediately all syndicate terms and price restrictions are removed and the bonds are free to trade."

48. Before syndicate restrictions were lifted, Edward Jones sold $97,000 of its $100,000 allocation of the 2026 NPPD BABs to customers at a price of 102. Similarly, Edward Jones ticketed the sales of $2.294 million of the 2035 NPPD BABs to customers at prices above the initial offering price (generally 103) before syndicate restrictions were lifted. Edward Jones' sales of the 2026 NPPD BABs at a price of 102 decreased the yield to customers from 6.606% to 6.323%. Its sales of the 2035 NPPD BABs at a price of 103 decreased the yield to customers from 7.399% to 6.962%.

49. In the BPA for the NPPD deal, the underwriters agreed to make a bona fide public offering of all of the NPPD bonds at prices not in excess of the initial public offering price. The underwriters' certificate for the NPPD represented that a bona fide public offering of all of the NPPD bonds had been made at the initial offering price and that at least 10% of each NPPD maturity was sold at the initial public offering price.

50. NPPD's CFO testified that she would not have allocated any of the 2026 or 2035 NPPD BABs to Edward Jones had she known, at the time that she was making the allocations of the bonds, that Edward Jones was taking these bonds into its own inventory in order to sell to its retail customers at prices higher than the initial offering price.

51. Edward Jones' portion of the underwriters' discount from the sale of the NPPD BABs was $18,918.55. By comparison, Edward Jones made $292,524 from improperly selling the 2026 and 2035 NPPD maturities at prices above the initial offering price.

52. To qualify as BABs and thereby maintain the valuable tax subsidy offered by the program, new issue municipal bonds had to satisfy a number of requirements. Most importantly, a bond could not be treated as a BAB if the issue price had more than a de minimis amount of premium[8] over the stated principal amount of the bond.

53. On October 5, 2012, the Internal Revenue Service concluded that a portion of the NPPD 2035 BABs did not qualify as BABs because the issue price of the $10 million principal amount that Edward Jones offered and sold (of the total $32.89 million notional amount for that maturity) had more than a de minimis amount of premium over the stated principal amount of the bond. The IRS determined that those bonds offered and sold at prices higher than 102.25 did not qualify as BABs and were not entitled to the federal subsidy, which the NPPD had valued as worth $260,000 per year, or approximately $6.5 million over the BABs' stated term.

54. In July 2013, the NPPD entered into an agreement with the IRS, pursuant to which it agreed to resolve the dispute by paying $350,000 to the IRS. In return, the NPPD was allowed to continue to claim credits under the BAB program with respect to interest paid on the 2035 BABs, and the IRS agreed not to contest such credits. Edward Jones later entered into an agreement with the NPPD pursuant to which it agreed to reimburse the NPPD the amount paid to the IRS, in addition to other expenses incurred by the NPPD over the tax-related dispute.

<u>Edward Jones' Municipal Bond Trading in the Secondary Market</u>

55. In addition to its activities as an underwriter for new issues of municipal bonds, Edward Jones has a secondary trading desk which executes buy and sell orders of municipal bonds on behalf of its customers in the secondary market. In the secondary market, dealers execute trades on either an agency or a principal basis.

---

[8] The "de minimis premium amount" is calculated by multiplying the number of complete years to maturity or redemption date by 0.25% of the stated redemption price at maturity. <u>See</u> 26 U.S.C. § 1273(a)(3). For example, if there are nine complete years before a bond can be called at 100, the de minimis premium amount would be 2.25%.

56. In an agency transaction, a dealer represents the buyer, the seller, or both, and therefore takes on no position risk. In these instances, a dealer charges a commission or fee, which is disclosed to the customer.

57. When a dealer executes trades in municipal bonds in a principal capacity, the dealer buys securities in the secondary market, holds the securities in its inventory for a period of time and later sells them. In principal transactions, dealers take on some degree of position risk and charge a markup or fee. The amount of the markup that a dealer charges in these circumstances varies depending on different factors, including, but not limited to, the expense involved in effecting the transaction, the service provided in effecting the transaction, the availability of securities in the market, and the fact that the dealer is entitled to a profit. Dealers are not currently required to disclose markups to customers when acting as principals.

58. Pursuant to MSRB Rule G-27, municipal bond dealers must have a system of supervision for both agency and principal trades reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable Board rules, including the requirement to exercise diligence in establishing the fairness and reasonableness of the commission or markups for such trades.

59. As discussed below, between January 2011 and October 2013, Edward Jones did not have an adequate system for reviewing certain of its principal trades. This lack of an adequate supervisory system may have prevented Edward Jones from determining whether the markups it charged for certain principal transactions were reasonable.

Edward Jones' System for, and Supervision of, Secondary Municipal Bond Trading

60. Edward Jones uses an internal web-based system for fixed income trading. The system allows Edward Jones' fixed income traders to execute buy and sell orders that are received from the firm's customers. The system also provides a means for the firm's traders and FAs to search the firm's inventory for fixed income securities based on various features including ratings and maturity. The firm's FAs actively use the system to monitor and search the firm's inventories for fixed income securities that are potentially of interest to their customers.

61. For example, if an Edward Jones customer wants to buy a particular bond, the FA enters the order into the system, at which time the order will auto-execute if the bond is available in inventory. If the bond is not available, an Edward Jones fixed income trader will review the order to determine if it can be otherwise executed.

62. Between January 2011 and October 2013, approximately 60% of Edward Jones customer sales of municipal securities were ultimately purchased by other Edward Jones customers after these securities passed through Edward Jones' principal accounts ("Transactions"). Edward Jones' risk in these Transactions derives from potential price movements that might occur during the holding period. These Transactions were often executed intraday, and therefore the securities were held only briefly in Edward Jones' principal inventory accounts.

63. Because holding periods for the intraday Transactions were short, Edward Jones faced little risk. In fact, large negative price movements were rare for Transactions with a holding period of even a few days. During the relevant time period, Edward Jones almost never experienced losses on intraday Transactions.

64. During the relevant time period, the firm's supervisory system did not adequately consider all relevant factors in monitoring the reasonableness of the markups on certain of the firm's Transactions. As a result, the firm's supervisory system was not reasonably designed to monitor whether the markups it charged for certain Transactions were reasonable.

Legal Discussion

Edward Jones Violated Section 17(a)(2) and (3) of the Securities Act

65. Section 17(a)(2) of the Securities Act makes it unlawful "in the offer or sale of any securities … directly or indirectly … to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading." Section 17(a)(3) of the Securities Act makes it unlawful "in the offer or sale of any securities … directly or indirectly … to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser." Negligence is sufficient to establish a violation of Sections 17(a)(2) and 17(a)(3); no finding of scienter is required. Aaron v. SEC, 446 U.S. 680, 696-97 (1980).

66. An underwriter "occupies a vital position" in a securities offering because investors rely on its reputation, integrity, independence, and expertise. Municipal Securities Disclosure, Exchange Act Release No. 26100, 1988 WL 999989 at 20 (Sept. 22, 1988). "By participating in an offering, an underwriter makes an implied recommendation about the securities." Id. "An underwriter must investigate and disclose material facts that are known or reasonably ascertainable." Dolphin and Bradbury, Inc. v. SEC, 512 F.3d 634, 641 (D.C. Cir. 2008) (citing Municipal Securities Disclosure, Exchange Act Release No. 26100, 1988 WL 999989 at 20). "Although other broker-dealers may have the same responsibilities in certain contexts, underwriters have a 'heightened obligation' to ensure adequate disclosure." Id.

67. During the Relevant Period, as discussed above, Edward Jones failed to disclose to its customers that it had agreed to make – and was expected to make under well-established industry practice – a bona fide public offering of all the municipal bonds to be issued at the initial offering price, while acting as a co-managing underwriter in several negotiated offerings. By failing to do so, Edward Jones obtained additional revenues from the sale of new issue municipal bonds to its customers at prices above the initial offering price. These additional revenues were often greater than what the firm had contracted to earn with the municipal issuers through its share of the underwriters' discount.

68. Edward Jones' practices as a co-managing underwriter of the Relevant Issuances effectively denied its customers the opportunity to place orders to the syndicate account for new issue municipal bonds prior to or during the order periods at the initial offering prices. This

opportunity should have been afforded to Edward Jones' customers because the firm was a member of the syndicate. These practices resulted in Edward Jones' customers paying more for the bonds than the issuers or senior managers intended.

69. Wishman and Edward Jones were at least negligent. Their conduct was inconsistent with industry standards for, and written agreements governing, municipal underwriting.

70. As a result of the conduct described above, Edward Jones willfully violated Sections 17(a)(2) and 17(a)(3) of the Securities Act.

<u>Edward Jones Violated MSRB Rule G-17</u>

71. MSRB Rule G-17 provides in relevant part that, in the conduct of its municipal securities business, every broker, dealer, and municipal securities dealer shall deal fairly with all persons and shall not engage in any deceptive, dishonest, or unfair practice. Negligence is sufficient to establish a violation of MSRB Rule G-17.

72. As part of a dealer's fair-dealing obligation under Rule G-17, the MSRB has repeatedly interpreted the rule to create affirmative disclosure obligations. In particular, all representations made by underwriters to municipal issuers in connection with municipal securities offerings, whether oral or written (such as, for example, those made in underwriters' certificates), must be true, accurate, and must not misrepresent or omit material facts.

73. As part of multiple underwriting syndicates during the Relevant Period, Edward Jones misrepresented in certain BPAs and underwriters' certificates that it would make or had made bona fide offerings of each maturity of the bonds to be issued at the initial offering prices. Municipal issuers relied on the representations of the underwriting syndicate – of which Edward Jones was a part – to establish issue price, to ensure compliance with arbitrage restrictions and other regulations for tax-exempt bonds, and to ensure qualification of the bonds as BABs. These misstatements created a risk that the municipal issuers could lose the tax-exemption for certain issuances or the federal subsidy under the BAB program.

74. Moreover, MSRB guidance interpreting the fair practice principles of MSRB Rule G-17, as they apply to the priority of orders for new issue securities and effective October 12, 2010, required that underwriters give priority of orders to customers over orders from underwriters or their related accounts. An underwriter may violate its fair dealing duties by making commitments to the issuer regarding distribution of the issuer's securities, and then failing to honor them. When acting as a co-managing underwriter for certain of the Relevant Issuances, Edward Jones failed to honor its agreements with issuers to give priority to retail orders by not, in the first instance, informing its retail customers of the offerings before or during the order period.

75. As a result of the conduct described above, Edward Jones willfully violated MSRB Rule G-17.

Edward Jones Violated MSRB Rules G-11(b) and (d)

76. MSRB Rule G-11(b) required every syndicate member submitting an order to the senior manager to disclose if the securities were for its dealer account or for a related portfolio, until the rule was expanded in August 2010 to apply to all brokers, dealers, and municipal securities dealers, whether or not syndicate members. Rule G-11(d) requires all group orders to include the identity of the person for whom the order is submitted.

77. While acting as a co-manager for certain of the Relevant Issuances, Wishman and Edward Jones' municipal syndicate desk placed orders, including group net orders, for municipal bonds that failed to adequately disclose, at the time of submission, that the orders were for the firm's dealer account.

78. As a result of the conduct described above, Edward Jones willfully violated MSRB Rules G-11(b) and (d).

Edward Jones Violated MSRB Rule G-30(a)

79. During the Relevant Period, MSRB Rule G-30(a) required dealers to sell municipal bonds from their own account to a customer at an aggregate price (including any markdown or markup) that was fair and reasonable, taking into consideration all relevant factors, including the resulting yield to the customer, which should have been comparable to the yield on other bonds of comparable quality, maturity, coupon rate, and block size then available in the market.

80. During the Relevant Period, Edward Jones sold certain new issue municipal bonds from its inventory to customers at prices that were not fair and reasonable. Because it sold certain new issue municipal bonds to its customers at prices above the initial offering prices, the prices at which Edward Jones sold those securities in the initial days of trading often were above the levels at which other underwriters, and sometimes even other investors, sold the same municipal bonds. Consequently, the yields on these bonds sold to Edward Jones customers often were below the yields of the exact same bonds being sold in the market during the initial days of trading.

81. As a result of the conduct described above, Edward Jones willfully violated MSRB Rule G-30(a).

Edward Jones Failed Reasonably to Supervise and to Establish an Adequate Supervisory System

82. Section 15(b)(4)(E) of the Exchange Act authorizes the Commission to impose sanctions against a broker-dealer for failing to reasonably supervise another person subject to the firm's supervision who committed a securities law violation. A broker-dealer can be liable for failure to supervise either when it lacks procedures reasonably designed to prevent and detect the underlying violation, see, e.g., Smith Barney, Harris Upham & Co., Exchange Act Release No. 21813, 32 SEC Docket 766 (Mar. 5, 1985), or when it has failed to adopt a reasonable system to implement those procedures. See, e.g., A.G. Edwards & Sons, Inc., Exchange Act Release No.

55692, 2007 SEC LEXIS 891 (May 2, 2007). MSRB Rule G-27(a) obligates brokers, dealers, and municipal securities dealers to supervise the conduct of the municipal securities activities of the firm and its associated persons to ensure compliance with MSRB rules, the applicable provisions of the Exchange Act, and rules thereunder. MSRB Rule G-27(b) obligates brokers, dealers, and municipal securities dealers to establish and maintain a system to supervise the municipal securities activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws, regulations, and MSRB rules.

83. Edward Jones failed to establish policies and procedures that would reasonably be expected to prevent and detect the violations by Wishman, an associated person, of Section 17(a)(3) of the Securities Act and MSRB Rules G-17, G-11(b) and (d), and G-30(a) in connection with her municipal underwriting activities during the Relevant Period. In addition, with respect to its municipal underwriting activities generally during the Relevant Period, Edward Jones lacked a system that was reasonably designed to achieve compliance with the antifraud provisions of the federal securities laws and MSRB Rules G-17, G-11, and G-30(a), which violated MSRB Rule G-27.

84. Moreover, with respect to trading municipal bonds in the secondary market during the nearly three-year period between January 2011 and October 2013, Edward Jones failed to establish an adequate supervisory system to identify and review certain of Edward Jones' customer orders to buy and sell municipal securities and therefore was unable to determine whether the markups it charged for certain transactions were reasonable. As a result, Edward Jones violated MSRB Rule G-27.

85. As a result of the conduct described above, Edward Jones failed reasonably to supervise within the meaning of Section 15(b)(4)(E) of the Exchange Act and willfully violated MSRB Rule G-27.

<u>Edward Jones Violated Section 15B(c)(1) of the Exchange Act</u>

86. Section 15B(c)(1) of the Exchange Act prohibits brokers, dealers, and municipal securities dealers from using the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any municipal security in contravention of any MSRB rule. As a result of the negligent conduct described above and its willful violations of MSRB Rules G-17, G-11(b) and (d), G-30(a), and G-27, Edward Jones willfully violated Section 15B(c)(1) of the Exchange Act.

Remedial Efforts

87. Edward Jones has undertaken a number of remedial efforts, including the following:

- <u>Disclosure of markups</u>: Edward Jones now discloses in writing both the percentage and dollar amount of any markup or markdown on all fixed income retail order trade confirmations in principal transactions.

- Personnel: Edward Jones hired a dedicated compliance officer to work on its fixed income desk, in direct proximity to municipal syndicate and secondary trading. Edward Jones hired a new head of its municipal syndicate desk with extensive experience in the securities industry.

- Implemented recommended improvements: Edward Jones retained a consulting firm to conduct a review of the firm's municipal business and make recommendations for improvements. Edward Jones implemented, or is in the process of implementing, the resulting recommendations.

- Procedures for new issues: Edward Jones adopted a new written supervisory procedure which states that all bonds acquired in new issuances may only be sold at the public offering price. Accordingly, the firm no longer allows any additional markups of bonds acquired in new issuances during or after the underwriting period, other than for the purpose of marking bonds to market.

- Procedures for markups: Edward Jones has reduced the maximum possible markup on buy orders of municipal bonds. The maximum markdown for sell orders of municipal bonds in the secondary market also has been reduced.

- Surveillance of Internal Web-Based Trading System: Edward Jones improved its surveillance and now automatically blocks any customer purchase within 30 minutes of a customer sale in the same CUSIP within the same branch, unless the bond was already in the firm's inventory prior to the sell trade.

- Partial Restitution to Customers: In 2009, while acting as a co-managing underwriter, Edward Jones' practices resulted in it selling eight maturities of BABs with more than a de minimis amount of premium. For these maturities, Edward Jones voluntarily refunded to its customers the amount of markup charged over and above the de minimis premium amount. These refunds totaled approximately $122,891 (the "BAB De Minimis Premium Refunds").

- Review of Municipal Procedures: Edward Jones has implemented improvements to its written supervisory procedures, operating procedures, and training in its municipal securities division.

88. The Commission considered these remedial acts in determining to accept the Offer of Edward Jones.

IV.

In view of the foregoing, the Commission deems it appropriate, in the public interest, and for the protection of investors to impose the sanctions agreed to in the Offer by Edward Jones.

Accordingly, pursuant to Section 8A of the Securities Act and Sections 15(b), 15B(c), and 21C of the Exchange Act, it is hereby ORDERED that:

A. Edward Jones shall cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and (3) of the Securities Act, Section 15B(c)(1) of the Exchange Act, and MSRB Rules G-17, G-11, G-30, and G-27.

B. Edward Jones is censured.

C. Edward Jones shall pay disgorgement and prejudgment interest as follows:

1. Edward Jones shall pay disgorgement of $4,524,332.60 and prejudgment interest of $670,068.77. Within ten days of the entry of this Order, Edward Jones shall deposit $5,194,401.37 representing the full amount of the disgorgement and prejudgment interest (the "Disgorgement Fund") into a segregated cash account at Edward Jones to be used exclusively for the purpose of making payments to current and former customers pursuant to a calculation defined below. Edward Jones shall provide the Commission's staff with evidence of such deposit in a form acceptable to the Commission's staff. If timely deposit of the disgorgement or prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600, 17 C.F.R. § 201.600.

2. Edward Jones shall be responsible for administering the Disgorgement Fund. Edward Jones shall use the Disgorgement Fund to pay each affected current and former customer who purchased a Relevant Issuance, an amount determined by (i) subtracting the initial offering price from the price paid, each set forth as a percentage, (ii) multiplying the resulting percentage difference by the face amount of the Relevant Issuance purchased, (iii) adding to that total reasonable interest at the Federal Short-Term rate as of the date of purchase of the Relevant Issuance through the date of this Order, for a total dollar amount for each Relevant Issuance, and (iv) to the extent that any customer purchased more than one Relevant Issuance, adding the customers' total amounts for each Relevant Issuance together. This formula is referred herein as the "Calculation." The Calculation and the resulting amounts for each customer shall be submitted to, reviewed, and approved by the Commission's staff in accordance with this Subsection C. The payments made by Edward Jones to customers pursuant to the Calculation shall not include any applicable BAB De Minimis Premium Refunds already paid to that customer.

3. Edward Jones shall, within 60 days from the entry of this Order, submit a proposed Calculation to the Commission staff for its review and approval that identifies, at a minimum: (i) the name and account number of each customer; (ii) the exact amount to be paid to each such customer for the Relevant Issuances; (iii) the exact amount of any portion of the payment that Edward Jones claims already has been paid to such customer as part of the firm's remedial efforts and described herein, including, but not limited to, BAB De Minimis Premium Refunds, along with supporting proof of such advance payment; and (iv) a description of the Relevant Issuances to which the customer's payment relates. Edward Jones also shall provide to the Commission's staff such additional information and supporting documentation relating to the Relevant Issuances as the Commission's staff may request for the purpose of its review. Neither Edward Jones nor any former or current employees of Edward Jones' municipal syndicate desk shall be allowed to participate in the distribution payments or receive any portion of the

Disgorgement Fund; all other former or current employees of Edward Jones who are eligible for a distribution payment (and whose names have been provided to the Commission staff), however, may be paid from the Disgorgement Fund. In the event of one or more objections by the Commission's staff to Edward Jones' proposed Calculations and/or any of its information or supporting documentation, Edward Jones shall submit a revised Calculation for the review and approval of the Commission staff and/or additional information or supporting documentation within twenty days (or such other time as agreed to by the Commission staff) of the date that Edward Jones is notified of the objection, which revised Calculation shall be subject to all of the provisions of this Subsection C.

4. Edward Jones shall complete the transmission of all amounts otherwise payable to its customers pursuant to a Calculation approved by the Commission's staff within 120 days of the entry of this Order, unless such time period is extended as provided in paragraph nine (9) of this Subsection C.

5. If Edward Jones cannot distribute or return any portion of the Disgorgement Fund for any reason, including an inability to locate a customer or any factors beyond Edward Jones' control, Edward Jones shall transfer any such undistributed funds to the Commission for transmittal to the general fund of the United States Treasury in accordance with Exchange Act Section 21F(g)(3) after the final accounting, provided for in this Subsection C, is approved by the Commission. Any such payment shall be made in one of the following ways:

(a) Edward Jones may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(b) Edward Jones may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(c) Edward Jones may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Edward Jones as a Respondent in these proceedings and the file number of these proceedings. A copy of the cover letter and check or money order must be sent to LeeAnn G. Gaunt, Chief, Municipal Securities and Public Pensions Unit, Securities and Exchange Commission, Boston Regional Office, 33 Arch Street, 23rd Floor, Boston, MA 02110-1424.

6. Edward Jones shall be responsible for any and all tax compliance responsibilities associated with the Disgorgement Fund and may retain any professional services

necessary or appropriate. The costs and expenses of any such professional services shall be borne by Edward Jones and shall not be paid out of the Disgorgement Fund.

7. Within 180 days after the date of entry of this Order, Edward Jones shall submit to the Commission's staff for its approval a final accounting, on a form provided by the Commission staff, and certification of the deposition of the Disgorgement Fund, which final accounting and certification shall be in a format to be provided by the Commission's staff. The final accounting and certification shall include, but not be limited to: (i) the amount paid to each payee; (ii) the date of each payment; (iii) the check number or other identifier of money transferred; (iv) the date and amount of any returned payment; (v) a description of any effort to locate a prospective payee whose payment was returned or to whom payment was not made for any reason; (vi) any amounts to be forwarded to the Commission for transfer to the United States Treasury; and (vii) an affirmation that the amounts paid to customers, plus any amounts that Edward Jones claims to have been refunded to customers before the date of this Order, represent a fair and reasonable calculation of the amounts above the initial offering prices that Edward Jones charged in the Relevant Issuances. Edward Jones shall submit proof and supporting documentation of such payment (whether in the form of cancelled checks or otherwise) in a form acceptable to the Commission's staff and under a cover letter that identifies Edward Jones as a Respondent in these proceedings and the file number of these proceedings to LeeAnn G. Gaunt, Chief, Municipal Securities and Public Pensions Unit, Securities and Exchange Commission, Boston Regional Office, 33 Arch Street, 23rd Floor, Boston, MA 02110-1424. Edward Jones shall provide any and all supporting documentation for the accounting and certification to the Commission's staff upon its request and shall cooperate with any additional requests by the Commission's staff in connection with the accounting and certification.

8. After Edward Jones has submitted the final accounting to the Commission's staff, the staff shall submit the final accounting to the Commission for approval and shall request Commission approval to send any remaining amount to the general fund of the United States Treasury in accordance with Exchange Act Section 21F(g)(3).

9. The Commission's staff may extend any of the procedural dates set forth in this Subsection C for good cause shown. Deadlines for dates relating to the Disgorgement Fund shall be counted in calendar days, except that if the last day falls on a weekend or federal holiday, the next business day shall be considered to be the last day.

D. Edward Jones shall, within ten days of the entry of this Order, pay a civil money penalty in the amount of $15,000,000 to the Securities and Exchange Commission, of which $1,500,000 shall be transferred to the Municipal Securities Rulemaking Board in accordance with Section 15B(c)(9)(A) of the Exchange Act, and of which the remaining $13,500,000 shall be transferred to the general fund of the United States Treasury in accordance with Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717. Such payment shall be made in one of the following ways:

1. Edward Jones may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

2. Edward Jones may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

3. Edward Jones may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Edward Jones as a Respondent in these proceedings and the file number of these proceedings. A copy of the cover letter and check or money order must be sent to LeeAnn G. Gaunt, Chief, Municipal Securities and Public Pensions Unit, Securities and Exchange Commission, Boston Regional Office, 33 Arch Street, 23rd Floor, Boston, MA 02110-1424.

E. Edward Jones shall preserve, for a period of not less than six (6) years, all records of its compliance with the terms of this Order that relate to Edward Jones' administration of the Disgorgement Fund.

By the Commission.

Brent J. Fields
Secretary

Attachment: Appendix of Relevant Issuances

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
3/24/2009	Holly Area School District	MI	2009 Refunding Bonds (General Obligation - Unlimited Tax)	435866NQ7	2022	$240,000
4/16/2009	City of Omaha, Nebraska	NE	General Obligation Refunding Bonds, Series of 2009	681712VP7	2024	$900,000
4/28/2009	New Jersey Turnpike Authority	NJ	Turnpike Revenue Bonds, Series 2009F (Federally Taxable - Issuer Subsidy - Build America Bonds)	646139W35	2040	$500,000
5/4/2009	Milan Area Schools	MI	2009 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	598801HS0	2024	$500,000
5/4/2009	Milan Area Schools	MI	2009 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	598801HX9	2029	$500,000
5/4/2009	Milan Area Schools	MI	2009 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	598801JC3	2034	$1,075,000
5/7/2009	Otoe County School District 0111 (Nebraska City Public Schools)	NE	General Obligation Bonds, Series 2009	68905FDC0	2021	$100,000
5/7/2009	Otoe County School District 0111 (Nebraska City Public Schools)	NE	General Obligation Bonds, Series 2009	68905FDD8	2022	$70,000
5/7/2009	Otoe County School District 0111 (Nebraska City Public Schools)	NE	General Obligation Bonds, Series 2009	68905FDE6	2023	$100,000
5/28/2009	Van Buren Public Schools	MI	2009 School Building and Site Bonds (Unlimited Tax - General Obligation) (Federally Taxable - Build America Bonds - Direct Payment)	920729HD5	2029	$100,000
5/28/2009	Van Buren Public Schools	MI	2009 School Building and Site Bonds (Unlimited Tax - General Obligation) (Federally Taxable - Build America Bonds - Direct Payment)	920729HE3	2039	$200,000
5/28/2009	Hall County School District 0083 (Wood River Rural Schools)	NE	General Obligation Refunding Bonds, Series 2009	40604FBJ0	2022	$700,000
6/1/2009	Board of Education of the City of Peoria, School District Number 150	IL	Taxable General Obligation School Bonds, Series 2009B	713040FT5	2024	$1,000,000
6/1/2009	Board of Education of the City of Peoria, School District Number 150	IL	Taxable General Obligation School Bonds, Series 2009B	713040FV0	2026	$180,000
6/1/2009	State of Texas	TX	College Student Loan Bonds, Series 2009	882722FQ9	2030	$500,000

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
6/24/2009	Fremont Public Schools	MI	2009 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	357334JH5	2029	$215,000
6/24/2009	Fremont Public Schools	MI	2009 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	357334JT9	2039	$100,000
6/24/2009	Nebraska Public Power District	NE	2009 Series A Bonds (Taxable Build America Bonds)	63968AQG3	2026	$10,000,000
6/24/2009	Nebraska Public Power District	NE	2009 Series A Bonds (Taxable Build America Bonds)	63968AQH1	2035	$925,000
6/25/2009	The County of Lincoln, Nebraska	NE	General Obligation Bonds, Series 2009	533279BT1	2029	$40,000
6/29/2009	Kansas Development Finance Authority	KS	Revenue Bonds Series 2009G (Kansas Board of Regents - Pittsburg State University Student Health Center Project)	48542KYU7	2018	$45,000
6/29/2009	Kansas Development Finance Authority	KS	Revenue Bonds Series 2009G (Kansas Board of Regents - Pittsburg State University Student Health Center Project)	48542KYX1	2021	$55,000
6/29/2009	Kansas Development Finance Authority	KS	Revenue Bonds Series 2009G (Kansas Board of Regents - Pittsburg State University Student Health Center Project)	48542KYY9	2022	$65,000
7/15/2009	City of Gering Leasing Corporation	NE	Lease Rental Revenue Refunding Bonds, Series 2009 (City Facilities Project)	373800BL4	2023	$55,000
7/15/2009	City of Gering Leasing Corporation	NE	Lease Rental Revenue Refunding Bonds, Series 2009 (City Facilities Project)	373800BM2	2024	$1,000,000
8/4/2009	The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, Oklahoma State University	OK	General Revenue Bonds, Series 2009A	678504MH1	2022	$195,000
8/4/2009	The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, Oklahoma State University	OK	General Revenue Bonds, Series 2009A	678504MJ7	2023	$625,000
8/4/2009	The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, Oklahoma State University	OK	General Revenue Bonds, Series 2009A	678504MK4	2024	$225,000

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
8/4/2009	The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, Oklahoma State University	OK	General Revenue Bonds, Series 2009A	678504MM0	2026	$410,000
8/4/2009	The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, Oklahoma State University	OK	General Revenue Bonds, Series 2009A	678504MN8	2027	$605,000
8/4/2009	The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, Oklahoma State University	OK	General Revenue Bonds, Series 2009A	678504MP3	2028	$440,000
8/4/2009	The Board of Regents for the Oklahoma Agricultural and Mechanical Colleges, Oklahoma State University	OK	General Revenue Bonds, Series 2009A	678504MQ1	2029	$1,130,000
8/6/2009	Illinois Municipal Electric Agency	IL	Power Supply System Revenue Bonds, Taxable Series 2009C (Build America Bonds - Direct Payment)	452024GU0	2023	$2,500,000
8/6/2009	Illinois Municipal Electric Agency	IL	Power Supply System Revenue Bonds, Taxable Series 2009C (Build America Bonds - Direct Payment)	452024GT3	2035	$2,650,000
8/20/2009	Missouri Joint Municipal Electric Utility Commission	MO	Power Project Revenue Bonds (Plum Point Project), Series 2009B (Federally Taxable)	606092EG5	2037	$4,860,000
8/20/2009	Missouri Joint Municipal Electric Utility Commission	MO	Power Project Revenue Bonds (Plum Point Project), Series 2009A (Federally Taxable - Build America Bonds - Direct Pay)	606092EF7	2039	$25,000,000
9/1/2009	Winona Independent School District	TX	Unlimited Tax School Building Bonds, Series 2009	975332EV5	2039	$1,000,000
9/22/2009	Croswell-Lexington Community Schools	MI	2009 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	227705GM6	2029	$445,000
9/30/2009	Missouri Highways and Transportation Commission	MO	Taxable Federal Reimbursement State Road Bonds (Build America Bonds) Series B 2009	60636WNT8	2026	$850,000
9/30/2009	Missouri Highways and Transportation Commission	MO	Taxable Federal Reimbursement State Road Bonds (Build America Bonds) Series B 2009	60636WNU5	2033	$200,000

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
10/26/2009	Lincoln County School District 0001 (North Platte Public Schools)	NE	General Obligation School Refunding Bonds, Series 2009	533288FS0	2020	$470,000
12/15/2009	Amarillo Economic Development Corporation	TX	Taxable Sales Tax Revenue Bonds, Series 2009	023026CD7	2019	$665,000
12/15/2009	Amarillo Economic Development Corporation	TX	Taxable Sales Tax Revenue Bonds, Series 2009	023026CE5	2030	$3,000,000
12/23/2009	Public Utility District No. 1 of Klickitat County, Washington	WA	Electric System Revenue Bonds, Series 2009B (Taxable Build America Bonds - Direct Payment)	498622GQ6	2031	$100,000
12/29/2009	Public Building Commission of Peoria	IL	Taxable School District Facilities Revenue Bonds, Series 2009C (Board of Education of the City of Peoria, School District Number 150 Project) (Lincoln Middle and Peoria High Schools Project) (Build America Bonds - Direct Payment to Issuer)	71323MDE9	2026	$500,000
12/30/2009	School District of the City of Detroit	MI	School Building and Site Bonds (Unlimited Tax General Obligation), Series 2009B, Build America Bonds (Taxable - Direct Payment Bonds)	2511295A6	2017	$200,000
12/30/2009	School District of the City of Detroit	MI	School Building and Site Bonds (Unlimited Tax General Obligation), Series 2009B, Build America Bonds (Taxable - Direct Payment Bonds)	2511295B4	2018	$750,000
12/30/2009	School District of the City of Detroit	MI	School Building and Site Bonds (Unlimited Tax General Obligation), Series 2009B, Build America Bonds (Taxable - Direct Payment Bonds)	2511295C2	2019	$1,000,000
12/30/2009	School District of the City of Detroit	MI	School Building and Site Bonds (Unlimited Tax General Obligation), Series 2009B, Build America Bonds (Taxable - Direct Payment Bonds)	2511295D0	2039	$40,000,000
1/27/2010	Hamilton Community Schools	MI	2010 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	407594FD7	2016	$325,000
1/27/2010	Hamilton Community Schools	MI	2010 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	407594FJ4	2021	$300,000
1/27/2010	Hamilton Community Schools	MI	2010 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	407594FK1	2022	$400,000

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
1/27/2010	Hamilton Community Schools	MI	2010 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	407594FL9	2023	$600,000
1/27/2010	Hamilton Community Schools	MI	2010 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	407594FP0	2026	$615,000
1/27/2010	Hamilton Community Schools	MI	2010 School Building and Site Bonds (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	407594FT2	2030	$1,400,000
2/18/2010	Holly Area School District	MI	2010 Refunding Bonds (General Obligation - Unlimited Tax)	435866PB8	2018	$100,000
2/18/2010	Holly Area School District	MI	2010 Refunding Bonds (General Obligation - Unlimited Tax)	435866PH5	2024	$100,000
2/18/2010	Holly Area School District	MI	2010 Refunding Bonds (General Obligation - Unlimited Tax)	435866PJ1	2025	$175,000
2/18/2010	Holly Area School District	MI	2010 Refunding Bonds (General Obligation - Unlimited Tax)	435866PF9	2022	$20,000
2/18/2010	Holly Area School District	MI	2010 Refunding Bonds (General Obligation - Unlimited Tax)	435866PG7	2023	$100,000
4/1/2010	City of Mason Building Authority	MI	2010 Building Authority Bonds (General Obligation - Limited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	575238AV2	2030	$180,000
4/1/2010	City of Mason Building Authority	MI	2010 Building Authority Bonds (General Obligation - Limited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	575238AW0	2040	$250,000
4/8/2010	City of Portsmouth, Virginia	VA	General Obligation Public Improvement Bonds, Series 2010B (Taxable - Direct Pay Build America Bonds)	73723RHZ9	2021	$500,000
4/8/2010	City of Portsmouth, Virginia	VA	General Obligation Public Improvement Bonds, Series 2010B (Taxable - Direct Pay Build America Bonds)	73723RJD6	2025	$2,000,000
4/8/2010	City of Portsmouth, Virginia	VA	General Obligation Public Improvement Bonds, Series 2010B (Taxable - Direct Pay Build America Bonds)	73723RJE4	2030	$325,000
4/8/2010	City of Portsmouth, Virginia	VA	General Obligation Public Improvement Bonds, Series 2010B (Taxable - Direct Pay Build America Bonds)	73723RJF1	2040	$415,000
4/8/2010	City of Portsmouth, Virginia	VA	General Obligation Notes, Series 2010C (Tax-Exempt)	73723RJM6	2014	$1,000,000
4/26/2010	State of Illinois	IL	General Obligation Bonds, Taxable Build America Bonds, Series 2010-3	452152FG1	2016	$595,000
4/26/2010	State of Illinois	IL	General Obligation Bonds, Taxable Build America Bonds, Series 2010-3	452152FK2	2019	$1,325,000

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
4/26/2010	State of Illinois	IL	General Obligation Bonds, Taxable Build America Bonds, Series 2010-3	452152FA4	2035	$970,000
5/6/2010	Chippewa Valley Schools	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	170016WT2	2020	$1,000,000
5/6/2010	Chippewa Valley Schools	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	170016XD6	2030	$2,500,000
5/6/2010	Chippewa Valley Schools	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	170016XJ3	2035	$3,000,000
5/13/2010	Belding Area Schools	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	077527JR1	2024	$120,000
5/13/2010	Belding Area Schools	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	077527JM2	2030	$500,000
5/13/2010	Belding Area Schools	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	077527JN0	2035	$500,000
5/13/2010	Belding Area Schools	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	077527JP5	2040	$500,000
5/19/2010	City of Howell	MI	Sewage Disposal System Revenue Bonds, Series 2010 (Federally Taxable - Recovery Zone Economic Development Bonds)	443132CA1	2025	$375,000
5/19/2010	City of Howell	MI	Sewage Disposal System Revenue Bonds, Series 2010 (Federally Taxable - Recovery Zone Economic Development Bonds)	443096HE5	2029	$260,000
5/25/2010	Jackson Public Schools	MI	2010 School Building and Site Bonds, Series B (Unlimited Tax General Obligation) (Taxable - Qualified School Construction Bonds - Direct Payment)	468312ER0	2019	$280,000
5/27/2010	City of Omaha Public Facilities Corporation	NE	Lease Revenue Bonds (Omaha Baseball Stadium Project), Series 2010	681785ET4	2029	$1,650,000

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
5/27/2010	City of Omaha Public Facilities Corporation	NE	Lease Revenue Bonds (Omaha Baseball Stadium Project), Series 2010	681785EU1	2036	$1,650,000
6/23/2010	Kenowa Hills Public Schools	MI	2010 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	489890KB8	2026	$4,000,000
6/24/2010	Warren Consolidated Schools District	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	935341YB7	2027	$2,000,000
6/30/2010	Marshall Public Schools	MI	2010 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	572461MC2	2027	$2,000,000
8/4/2010	St. Johns Public Schools	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	790450FB1	2021	$320,000
8/4/2010	St. Johns Public Schools	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	790450FR6	2035	$365,000
8/4/2010	St. Johns Public Schools	MI	2010 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax) (Federally Taxable - Build America Bonds - Direct Payment)	790450FW5	2040	$415,000
8/11/2010	Oklahoma Municipal Power Authority	OK	Power Supply System Revenue Bonds, Series 2010B (Federally Taxable Build America Bonds - Direct Pay)	67910HMS6	2040	$435,000
8/12/2010	North Central Michigan College	MI	College Building and Site and Refunding Bonds, Series 2010	658499BG2	2023	$280,000
8/12/2010	North Central Michigan College	MI	College Building and Site and Refunding Bonds, Series 2010	658499BK3	2026	$5,250,000
8/12/2010	North Central Michigan College	MI	College Building and Site and Refunding Bonds, Series 2010	658499BN7	2029	$2,985,000
8/12/2010	North Central Michigan College	MI	College Building and Site and Refunding Bonds, Series 2010	658499BP2	2030	$1,000,000
9/14/2010	Polk County, Florida	FL	Utility System Revenue Bonds, Series 2010 (Federally Taxable - Build America Bonds - Direct Subsidy)	731167EA6	2040	$5,000,000
9/15/2010	Carthage Independent School District	TX	Unlimited Tax School Building Bonds, Series 2010A	146735DF9	2013	$250,000
10/28/2010	School District of the City of Detroit	MI	School Building and Site Bonds (Unlimited Tax General Obligation), Series 2010B, Build America Bonds (Taxable - Direct Payment Bonds)	251130ED8	2040	$3,880,000
12/1/2010	Katy Independent School District	TX	Unlimited Tax School Building Bonds, Taxable Series 2010-D (Build America Bonds - Direct Payment to Issuer)	486063MH0	2041	$300,000

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
12/2/2010	Maine Municipal Bond Bank	ME	Grant Anticipation Bonds (Maine Department of Transportation), Series 2010B Taxable Build America Bonds	56045RAJ8	2019	$640,000
12/2/2010	Maine Municipal Bond Bank	ME	Grant Anticipation Bonds (Maine Department of Transportation), Series 2010B Taxable Build America Bonds	56045RAM1	2022	$5,000,000
12/10/2010	Missouri Joint Municipal Electric Utility Commission	MO	Power Project Revenue Bonds (Prairie State Project), Series 2010A (Federally Taxable Build America Bonds - Direct Pay)	606092FD1	2042	$1,850,000
12/16/2010	Charlotte Public Schools	MI	2010 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Payment)	160879JN3	2035	$2,300,000
12/16/2010	Charlotte Public Schools	MI	2010 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Recovery Zone Economic Development Bonds - Direct Payment)	160879JT0	2040	$250,000
2/15/2011	City of Alliance, Nebraska	NE	Water Revenue Refunding Bonds, Series 2011	018708ED5	2015	$50,000
2/15/2011	City of Alliance, Nebraska	NE	Water Revenue Refunding Bonds, Series 2011	018708EE3	2016	$55,000
2/15/2011	City of Alliance, Nebraska	NE	Water Revenue Refunding Bonds, Series 2011	018708EF0	2017	$55,000
2/15/2011	City of Alliance, Nebraska	NE	Water Revenue Refunding Bonds, Series 2011	018708EG8	2018	$140,000
2/15/2011	Pearland Independent School District	TX	Unlimited Tax Schoolhouse Bonds, Series 2001B	704879V77	2025	$1,500,000
2/15/2011	Brownsboro Independent School District	TX	Unlimited Tax School Building & Refunding Bonds, Series 2011	116079FK5	2020	$120,000
2/15/2011	Brownsboro Independent School District	TX	Unlimited Tax School Building & Refunding Bonds, Series 2011	116079FW9	2031	$915,000
3/3/2011	Michigan Finance Authority	MI	Local Government Loan Program Revenue Bonds, Series 2011A, School Program Bonds (Federally Taxable)	59447PDJ7	2017	$1,415,000
3/3/2011	Michigan Finance Authority	MI	Local Government Loan Program Revenue Bonds, Series 2011A, School Program Bonds (Federally Taxable)	59447PDP3	2023	$50,000
3/3/2011	Michigan Finance Authority	MI	Local Government Loan Program Revenue Bonds, Series 2011A, School Program Bonds (Federally Taxable)	59447PDQ1	2025	$1,215,000
3/10/2011	State of Illinois	IL	General Obligation Bonds, Taxable Series of February 2011	452152HU8	2019	$1,000,000
4/7/2011	State of Oregon Housing and Community Services Department	OR	Housing Revenue Bonds (Single-Family Mortgage Program), 2011 Series A Bonds (Non-AMT)	68608NCC4	2021	$1,000,000

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
4/7/2011	State of Oregon Housing and Community Services Department	OR	Housing Revenue Bonds (Single-Family Mortgage Program), 2011 Series A Bonds (Non-AMT)	68608NCD2	2021	$215,000
4/28/2011	Pennsylvania Turnpike Commission	PA	Turnpike Subordinate Revenue Bonds, Series A of 2011	709223F55	2041	$190,000
5/11/2011	Goodrich Area Schools	MI	2011 School Building and Site Bonds (General Obligation - Unlimited Tax)	382406MZ6	2021	$280,000
5/11/2011	Goodrich Area Schools	MI	2011 School Building and Site Bonds (General Obligation - Unlimited Tax)	382406ND4	2025	$250,000
5/11/2011	Goodrich Area Schools	MI	2011 School Building and Site Bonds (General Obligation - Unlimited Tax)	382406NG7	2028	$250,000
5/11/2011	Goodrich Area Schools	MI	2011 School Building and Site Bonds (General Obligation - Unlimited Tax)	382406NV4	2041	$500,000
5/17/2011	Montrose Community Schools	MI	2011 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	615182AW2	2021	$500,000
5/17/2011	Montrose Community Schools	MI	2011 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	615182AX0	2024	$500,000
5/17/2011	Montrose Community Schools	MI	2011 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	615182AY8	2026	$500,000
5/18/2011	Homer Community School District	MI	2011 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	437506CC0	2020	$500,000
5/18/2011	Homer Community School District	MI	2011 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	437506CD8	2021	$7,000,000
5/18/2011	Homer Community School District	MI	2011 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	437506CE6	2022	$200,000
5/18/2011	Homer Community School District	MI	2011 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	437506CG1	2024	$225,000

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
5/18/2011	Homer Community School District	MI	2011 School Building and Site Bonds, Series A (General Obligation - Unlimited Tax) (Federally Taxable - Qualified School Construction Bonds - Direct Payment)	437506CJ5	2026	$200,000
5/18/2011	Comstock Park Public Schools	MI	2011 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax)	205759HC0	2030	$750,000
5/18/2011	Comstock Park Public Schools	MI	2011 School Building and Site Bonds, Series B (General Obligation - Unlimited Tax)	205759HF3	2033	$150,000
7/6/2011	City of Utica	MI	2011 Unlimited Tax General Obligation Refunding Bonds	917644DC7	2019	$260,000
7/13/2011	Health and Educational Facilities Authority of the State of Missouri	MO	Educational Facilities Improvement and Refunding Revenue Bonds (Webster University Project), Series 2011	60636ABS1	2023	$245,000
7/13/2011	Health and Educational Facilities Authority of the State of Missouri	MO	Educational Facilities Improvement and Refunding Revenue Bonds (Webster University Project), Series 2011	60636ABW2	2027	$380,000
7/13/2011	Health and Educational Facilities Authority of the State of Missouri	MO	Educational Facilities Improvement and Refunding Revenue Bonds (Webster University Project), Series 2011	60636ACA9	2028	$1,135,000
7/15/2011	Muenster Independent School District	TX	Unlimited Tax School Building Bonds, Series 2011	624777EU8	2030	$280,000
7/15/2011	Muenster Independent School District	TX	Unlimited Tax School Building Bonds, Series 2011	624777EV6	2032	$515,000
7/15/2011	Muenster Independent School District	TX	Unlimited Tax School Building Bonds, Series 2011	624777EY0	2041	$500,000
8/4/2011	Mid-Plains Community College Area Facilities Corporation	NE	Building Bonds (Student Revenue Payment Source), Series 2011B	59541HBJ2	2027	$885,000
8/4/2011	Mid-Plains Community College Area Facilities Corporation	NE	Building Bonds (Student Revenue Payment Source), Series 2011B	59541HBK9	2028	$215,000
8/4/2011	Mid-Plains Community College Area Facilities Corporation	NE	Building Bonds (Student Revenue Payment Source), Series 2011B	59541HBL7	2029	$225,000
9/8/2011	Health and Educational Facilities Authority of the State of Missouri	MO	Health Facilities Revenue Bonds (St.Luke's Episcopal - Presbyterian Hospitals) Series 2011	60637ABJ0	2025	$235,000
11/15/2011	Commonwealth of Kentucky State Property and Buildings Commission	KY	Road Fund Revenue Refunding Bonds, Project No. 73 (Taxable Fourth Series)	49151FAW0	2016	$995,000
11/15/2011	Commonwealth of Kentucky State Property and Buildings Commission	KY	Road Fund Revenue Refunding Bonds, Project No. 73 (Taxable Fourth Series)	49151FBB5	2021	$250,000
1/1/2012	Sharyland Independent School District	TX	Unlimited Tax School Building General Obligation, Series 2012	820123RT6	2041	$500,000
2/1/2012	Pasadena Independent School District	TX	Unlimited Tax School Building Bonds, Series 2012A	7023335W1	2041	$855,000
3/27/2012	State of Illinois	IL	General Obligation Bonds, Series of March 2012	452152LG4	2026	$1,200,000
4/26/2012	Orchard View Schools	MI	2012 Refunding Bonds (General Obligation - Unlimited Tax)	685713CL1	2021	$915,000

Date	Issuer	State	Issuance	Cusip	Maturity	Notional Amount Offered by Edward Jones
5/1/2012	Pearland Independent School District	TX	Unlimited Tax Refunding Bonds, Series 2012	704879Z99	2029	$890,000
5/8/2012	State of Illinois	IL	General Obligation Refunding Bonds, Series of May 2012	452152MN8	2025	$250,000
6/14/2012	Dormitory Authority of the State of New York	NY	School Districts Revenue Bond Financing Program Revenue Bonds Series, 2012E	649906D92	2039	$5,000,000
9/1/2012	City of Pearland, Texas	TX	Water and Sewer System Revenue and Refunding Bonds, Series 2012	704883MD6	2030	$1,000,000
9/1/2012	City of Pearland, Texas	TX	Water and Sewer System Revenue and Refunding Bonds, Series 2012	704883MH7	2034	$195,000
9/1/2012	City of Pearland, Texas	TX	Water and Sewer System Revenue and Refunding Bonds, Series 2012	704883ML8	2037	$325,000
10/18/2012	Dormitory Authority of the State of New York	NY	State Personal Income Tax Revenue Bonds (General Purpose), Series 2012F (Federally Taxable)	64990EJK4	2022	$425,000
12/1/2012	City of Austin, Texas	TX	Electric Utility System Revenue Refunding Bonds, Taxable Series 2012B	052414NV7	2026	$250,000
12/1/2012	City of Austin, Texas	TX	Electric Utility System Revenue Refunding Bonds, Taxable Series 2012B	052414NR6	2027	$250,000