STATE OF NEVADA OFFICE OF THE SECRETARY OF STATE SECURITIES DIVISION

2250 LAS VEGAS BOULEVARD NORTH, SUITE 400 NORTH LAS VEGAS, NEVADA 89030

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In the Matter of:)
EDWARD D. JONES & CO., L.P., CRD #250;))) ADMINISTRATIVE CONSENT ORDER
Respondent.)) File No. <u>INV20-096</u>)
TO: Robert G. Brunton, Associate G Edward D. Jones & Co., L.P. 12555 Manchester Road St. Louis, MO 63131-3710	NEVADA SECRETARY OF STATE SECURITIES DIVISION DATE FILED: Seneral Counsel

St. Louis, MO 63131-3710

WHEREAS, EDWARD D. JONES & CO., L.P., CRD No. 250 (hereinafter Respondent), is a Missouri-based broker-dealer and investment advisory firm located at 12555 Manchester Road, St. Louis, MO;

WHEREAS Respondent employed Javelin San Nicolas, CRD No. 6722786, as a sales representative and operating a Nevada licensed broker-dealer branch office located at 6000 Quintessa Drive, Sparks, NV 89436 from January 20, 2017 until July 6, 2020, when he was discharged by Respondent;

WHEREAS, on April 6, 2021, the Nevada Securities Division (Division), pursuant to the Administrator's authority under NRS § 90.620, conducted an investigation of Mr. San Nicolas pursuant to a complaint received by the Division;

WHEREAS, in or about 2019, Mr. San Nicolas offered a senior investor over the age of 65 personal seat licenses for the Las Vegas Raiders (hereinafter licenses), as an investment vehicle for his retirement;

WHEREAS, in order to complete the transaction, the complainant had Mr. San Nicolas liquidate nearly all of the funds from one of complainant's Edward Jones accounts and transfer the proceeds to the complainant's bank account. The complainant then wrote two cashier's checks totaling \$49,000.00 directly to Mr. San Nicolas:

WHEREAS, Mr. San Nicolas never provided the licenses to the complainant, despite the complainant having used nearly all of the funds in one of his Edward Jones accounts to purchase the licenses:

WHEREAS, when the complainant asked via text to Mr. San Nicolas's personal cell phone about the licenses, Mr. San Nicolas told him that ticket sales were slow and that he should wait to sell the corresponding tickets until he could get a higher price;

WHEREAS, a member of the Branch Audit department interviewed Mr. San Nicolas on a routine exam three months after the closing of one of the complainant's accounts, and when asked about outside business activities, Mr. San Nicolas did not disclose the sale of the licenses to the client;

WHEREAS, while Respondent had implemented various processes to flag transactions in senior investors' accounts for potential secondary review, its processes failed to flag this instance of one of a senior investor's accounts going from holding over \$59,000.00 at the beginning of October, to holding \$0.19 by the middle of the month in a series of four transactions;

WHEREAS, upon discovering Mr. San Nicolas' actions, Respondent immediately terminated him from employment;

WHEREAS, Respondent has made full remediation to complainant for the money he lost in this matter, including interest, in a total of \$51,685.00;

WHEREAS, Respondent is updating its processes to improve its ability to identify potentially problematic transactions in senior investors' accounts by further analyzing, among other things, data regarding distribution amounts, distribution frequencies, and other risk anomalies;

WHEREAS, it is a violation of NRS 90.420 to fail to establish and maintain a system to supervise the activities of its associated persons that is reasonably designed to achieve compliance with the Nevada Securities Act;

WHEREAS, Respondent has advised the Division of its desire to resolve the above alleged failure to comply with the requirements of Nevada's Uniform Securities Act, on the terms specified within this Administrative Consent Order;

WHEREAS, Respondent elects to permanently and expressly waive any right to a hearing and appeal under the Act and/or to seek judicial review under the Nevada Administrative Procedure Act, NRS Chapter 233B, with respect to this Order.

NOW THEREFORE, the Administrator, pursuant to the Act, hereby enters the following:

ORDER

Finding the following appropriate and in the public's interest, and on the basis of the foregoing, and without either admitting or denying the allegations, Respondent consents to the entry of this Order,

IT IS HEREBY ORDERED:

- 1. Respondent will cease from violating the Act and will comply with said Act.
- 2. Upon notice of entry of this Order, Respondent will make a payment to the Nevada Secretary of State a civil penalty in the cumulative amount of \$50,000.00, due upon signing of the Respondent consents to entry of this Administrative Order.
- 3. Upon notice of entry of this Order, Respondent shall submit a check made payable to the Secretary of State in the amount of \$2,762.57 in investigatory costs.
- 4. All amounts submitted under this section shall be remitted to:

Nevada Secretary of State c/o Stacey Roter 2250 Las Vegas Boulevard North, Suite 400 North Las Vegas, NV 89030

- 5. In consideration, the Division will take no further enforcement action against Respondent based upon the circumstances covered by this investigation and Order and close its administrative investigation of the Respondent in connection with the aforementioned activities.
- 6. Nothing in this Order shall be construed as a waiver of the Division's right to investigate and pursue any violations by Respondent in connection with other activity not set forth herein.
- 7. Nothing in this Order is intended to limit or create for third parties any private remedies against Respondent.
- 8. This Order shall be effective as of the date on which it is signed by the Administrator as set forth below.

IT IS SO ORDERED.

DATED this 5 day of August, 2021.

BY ORDER OF THE ADMINISTRATOR

Office of the Secretary of State, Securities Division

ERIN M. HOUSTON

Deputy Secretary for Securities

Securities Administrator

CONSENT TO ENTRY OF ADMINISTRATIVE ORDER Respondent Edward D Jones, Co., L.P. hereby acknowledges that it has been served with a

copy of this Order, has read the foregoing Order, is aware of its rights to a hearing and appeal in this

matter, and has waived the same.

Respondent specifically acknowledges that a violation of this Order may constitute a felony pursuant to NRS 90.650.

Respondent admits the jurisdiction of the Securities Division of the Nevada Office of the Secretary of State and consent to entry of this Order by the Administrator of the Division as settlement of the issues contained within this Order.

Respondent states that no promise of any kind or nature, other than the consideration set forth in the Order, was made to them to induce it to enter into this Order and that it has entered into this Order voluntarily

Dated this 4th day of August, 2021.

Robert G. Bunton

Robert G. Brunton, Associate General Counsel Edward D. Jones, Co., L.P.

Reviewed for content:

Barry Goldsmith, Esq. Gibson, Dunn & Crutcher LLP

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Dated this day of August, 2021	Dated	this	day	of	August,	2021
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Robert G. Brunton, Associate General Counsel Edward D. Jones, Co., L.P.

Reviewed for content:

Barry Goldsmith, Esq.

Gibson, Dunn & Crutcher LLP