STATE OF ALASKA
DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING, SECURITIES, AND CORPORATIONS

In the Matter of:

Edward D. Jones and Co., LP,
and
Peter Van Flein,
Respondents.

AK Order # 03-04

CONSENT ORDER

Factual Allegations

1. The Division of Banking, Securities, and Corporations ("the division") is charged with oversight and enforcement of the Alaska Securities Act ("the Act") at AS 45.55 and regulations under the Act at 3 AAC 08.

2. Respondent Edward D. Jones and Co., LP ("EdwardJones") is an Alaska registered broker dealer whose home office is located at 12555 Manchester Road, St. Louis, Missouri 63131-3729. The home office is the office of supervisory jurisdiction ("OSJ") for EdwardJones' branches in Alaska.

3. EdwardJones is a member of the New York Stock Exchange (NYSE) and the National Association of Securities Dealers (NASD).

4. Respondent Peter Van Flein (Van Flein) is an Alaska registered securities agent who operates a single-person branch office of EdwardJones at 4001 Geist Road #13, Fairbanks, Alaska 99709.

AK ORDER #03-04 S
ITMO EDWARD JONES & CO., LP and VAN FLEIN

6. Respondents failed to treat the Carroll letter as a complaint. Accordingly, it was not placed in the complaint file nor was any separate record of it maintained in either the Fairbanks, Alaska, branch office or the St. Louis, Missouri, OSJ.

7. On September 24, 2002, the division issued Alaska Order No. 03-04 S,

a. finding multiple violations of the Act; including

   i. failure to properly classify and maintain a record of the Carroll letter as a complaint;

   ii. failure of Edward Jones to properly supervise complaint classification and reporting;

   iii. failure to properly update Van Flein's agent registration on the NASD-Central Registration Depository ("CRD")

b. directing respondents to cease and desist from failing to report customer complaints and otherwise violating the Act; and

c. providing notice of fines to be assessed against respondents.

8. Due to the misclassification of the Carroll letter by Edward Jones personnel at the OSJ, the division was concerned about the existence of other complaints that may have been misclassified by Edward Jones supervisory personnel.

9. Respondents submitted a Request for Hearing dated October 11, 2002 in response to Order No. 03-04 S and the parties have engaged in pre-hearing proceedings in this matter.

   Findings of Fact and Conclusions of Law
10. At the time of receipt, respondents failed to properly classify the Carroll letter as a complaint in violation of NASD Rule 3110.

11. Respondents failed to keep and preserve a copy of the Carroll letter in the complaint file of the branch office in accordance with EdwardJones’ Rule 7.2, under which compliance evidence must be maintained under NASD Rule 3010(d) and in the OSJ as required by NASD Rule 3110(d).

12. Respondents have failed to properly update registration information maintained on the NASD-CRD, as required by AS 45.55.050(c).

Consent

13. This Consent Order is entered into between the division and respondents to resolve all issues raised by Alaska Order No. 03-04 S.

14. Respondents acknowledge that they misclassified the Carroll letter by not treating it as a complaint.

15. Respondents agree to classify the Carroll letter as a complaint pursuant to NASD Rule 3110(d) and will place and maintain a copy of the letter in their respective (branch and OSJ) customer complaint files.

16. EdwardJones agrees to take corrective action at its OSJ and at the Alaska branch offices to ensure that complaints will be properly classified in the future.

17. Respondents recognize the importance of properly classifying complaint letters and complying with all applicable record keeping requirements for customer complaints.

18. Respondents will cease and desist from future violations of the Act, specifically
agreeing, without limitation, to comply with all requirements relating to the classification, record
keeping and reporting of customer complaints.

19. Respondents agree to report Alaska Order No. 03-04 S and this Consent Order on
Form U-4 for Van Flein and on Form BD for EdwardJones. Respondents agree to report the Carroll
letter in accordance with NYSE Rule 351(d).

20. Respondents shall provide the division written confirmation that reporting has
occurred under paragraph 18, above, within thirty days of the execution of this Consent Order.

21. Respondents agree to pay the division the sum of $11,000 as partial reimbursement
for the Division’s investigative costs and expenses related to this matter.

22. EdwardJones agrees to review all incoming customer correspondence received at its
Alaska branch offices and related to its Alaska agents for the three-year period ending October 1,
2003, to determine whether other complaints have been misclassified.

23. EdwardJones agrees to provide the division within ninety days of the execution of
this Consent Order a written report of the results of the correspondence review conducted pursuant
to paragraph 22, above,

a. verifying the completion of the review;

b. providing to the division a total number of complaints received by
EdwardJones' Alaska agents, together with copies of those complaints that were
misclassified, identifying each complaint by the name of the complainant, the
location, and date of receipt; and

c. verifying that any previously misclassified complaints discovered during the
review have been reclassified as complaints, placed in the investment representative’s
complaint file, reported in accordance with NYSE Rule 351(d), and, if applicable,
reported on the investment representative’s Form U-4.
24. Respondents shall prepare a memorandum for the review and approval of the division
to be distributed to all Alaska agents of Edward Jones and all personnel in its St. Louis, Missouri
office who are responsible for supervising Alaska agents or making complaint determinations for
correspondence received at Alaska branches. The memorandum shall alert all such personnel as to
the proper standards for classifying any customer correspondence as a complaint and complying
with the record keeping requirements for complaints. The memorandum shall be submitted to the
division for approval within sixty days of the execution of this Consent Order and shall be
distributed within thirty days of receipt of the division’s approval.

25. Edward Jones agrees to provide additional training with respect to the identification of
customer complaints for all personnel responsible for supervising Alaska agents or making
complaint determinations for correspondence received at Alaska branches. Within ninety days of the
execution of this Consent Order, Edward Jones will provide the division with written confirmation of
the completion of such training, including the dates of the training, the names and titles of attendees,
and all informational materials relating to customer complaint identification used at such training.

26. Edward Jones personnel conducting the next annual on-site examination of Alaska
branches will provide training to Alaska agents regarding the identification of customer complaints.
If the training is to be provided through a compliance video, the video shall be filed with the division
prior to its use. Within thirty days of the completion of the Alaska on-site examinations,
Edward Jones will provide written confirmation of the dates of such training, the names of agents
receiving the training, and all written materials relating to customer complaint identification used at
such training.
27. Respondents and the division agree that this Consent Order shall remain in full force and effect and binding until it is amended or vacated by further order of the administrator or the mutual agreement of the parties.

28. The division shall issue a final Order of Dismissal upon performance of the terms of this Consent Order.

DATED this 29th day of October 2003

STATE OF ALASKA
Department of Community and Economic Development
Division of Banking, Securities, and Corporations

By: /s/ Mark Davis
Mark Davis
Administrator

DATED this 4th day of December, 2003.

EDWARD JONES AND CO., LP

By: /s/ Pamela K. Carnes
Director of Compliance

Its: Who warrants his or her authority to enter into this agreement on behalf of the firm.

DATED this 9th day of December, 2003.

/s/ Peter Van Flein

PETER VAN FLEIN

AK ORDER #03-04 S