

Edward Jones settles cold-calling case for \$750,000

The New Hampshire Bureau of Securities Regulation accused the firm of unlawfully soliciting clients on do-not-call lists

By **Mason Braswell** InvestmentNews

Feb 26, 2014



Cold calling – a once-popular method of prospecting clients – was dealt another blow in a settlement with the New Hampshire Bureau of Securities Regulation.

Edward Jones has agreed to pay \$750,000 to resolve claims that it unlawfully solicited New Hampshire residents whose phone numbers are registered on the National Do Not Call Registry.

“The bureau determined that on several occasions, EJ's financial advisers also failed to appropriately honor requests by New Hampshire residents to be added to EJ's firm-specific list,” the bureau's order, released Wednesday, read. “Further, the bureau determined that these calls were the result of EJ's inadequate training, supervisory and compliance practices and procedures in the area of telecommunications.”

In addition, the bureau accused Edward Jones, which has 50 branch offices in the state, of failing to train and supervise its brokers properly in the area of telephone solicitation.

Rules from the **Financial Industry Regulatory Authority** Inc. prohibit members from soliciting by phone anyone who is on the Federal Trade Commission's do-not-call registry.

“This settlement is a significant step in curbing unwanted solicitation calls and the risk they may pose to New Hampshire investors,” bureau staff attorney Adrian LaRochelle said in a statement.

Edward Jones did not admit guilt as part of the settlement.

In addition to the monetary settlement, the firm agreed to cease and desist from further violations and agreed to modify its policies and procedures around telephone solicitation.

Edward Jones is required to revise branch-office audit procedures and report to the bureau its implementation of, and compliance with, all required undertakings.

“We're happy we've been able to negotiate a settlement with the state of New Hampshire,” said John Boul, a spokesman for the firm. “It's important to understand this matter did not involve any client losses or any negative impact to clients. Further, we're enhancing our communications training to address the issues raised by the state.”

The Bureau of Securities Regulation said the Edward Jones case was the fourth action it had brought regarding violations of telephone solicitation rules and that three additional investigations were still pending.