

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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**FORM 10-Q**

(Mark One)

☒ [ X ]

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 26, 2014  
OR

☐ [ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-16633

THE JONES FINANCIAL COMPANIES, L.L.L.P.

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(Exact name of registrant as specified in its Charter)

MISSOURI

43-1450818

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(State or other jurisdiction of  
incorporation or organization)

(IRS Employer Identification No.)

12555 Manchester Road  
Des Peres, Missouri 63131

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(Address of principal executive office)  
(Zip Code)

(314) 515-2000

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(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ [ X ] NO ☐ [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ [ X ] NO ☐ [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ [ ]

Accelerated filer ☐ [ ]

Non-accelerated filer ☒ [ X ]

Smaller reporting company ☐ [ ]

(do not check if a smaller reporting company)

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ [ ]  
No ☒ [ X ]

As of October 31, 2014, 634,255 units of limited partnership interest ("Interests") are outstanding, each representing \$1,000 of limited partner capital. There is no public or private market for such Interests.

# THE JONES FINANCIAL COMPANIES, L.L.L.P.

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# PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

### THE JONES FINANCIAL COMPANIES, L.L.P. CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)

<i>(Dollars in millions)</i>	<i>September 26, 2014</i>	<i>December 31, 2013</i>
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 643	\$ 600
Cash and investments segregated under federal regulations	8,123	8,435
Securities purchased under agreements to resell	810	1,026
Receivable from:		
Clients	2,658	2,300
Mutual funds, insurance companies and other	464	405
Brokers, dealers and clearing organizations	126	148
Securities owned, at fair value:		
Inventory securities	86	102
Investment securities	153	141
Equipment, property and improvements, at cost, net of accumulated depreciation and amortization	546	543
Other assets	76	95
<b>TOTAL ASSETS</b>	<b>\$ 13,685</b>	<b>\$ 13,795</b>
<b>LIABILITIES:</b>		
Payable to:		
Clients	\$ 10,320	\$ 10,596
Brokers, dealers and clearing organizations	118	79
Accrued compensation and employee benefits	945	843
Accounts payable, accrued expenses and other	210	142
Long-term debt	3	4
	<u>11,596</u>	<u>11,664</u>
Liabilities subordinated to claims of general creditors	-	50
Contingencies (Note 6)		
Partnership capital subject to mandatory redemption, net of reserve for anticipated withdrawals	1,954	1,858
Reserve for anticipated withdrawals	135	223
Total partnership capital subject to mandatory redemption	<u>2,089</u>	<u>2,081</u>
<b>TOTAL LIABILITIES</b>	<b>\$ 13,685</b>	<b>\$ 13,795</b>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

# PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements, continued

### THE JONES FINANCIAL COMPANIES, L.L.P. CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

<i>(Dollars in millions, except per unit information and units outstanding)</i>	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	<i>Sept 26, 2014</i>	<i>Sept 27, 2013</i>	<i>Sept 26, 2014</i>	<i>Sept 27, 2013</i>
Revenue:				
Fee revenue				
Asset-based	\$ 797	\$ 646	\$ 2,277	\$ 1,833
Account and activity	156	143	447	422
Total fee revenue	953	789	2,724	2,255
Trade revenue				
Commissions	532	504	1,609	1,610
Principal transactions	32	64	106	124
Investment banking	42	30	117	88
Total trade revenue	606	598	1,832	1,822
Interest and dividends	34	33	97	99
Other revenue	3	12	25	38
Total revenue	1,596	1,432	4,678	4,214
Interest expense	13	14	41	44
Net revenue	1,583	1,418	4,637	4,170
Operating expenses:				
Compensation and benefits	1,084	956	3,126	2,786
Occupancy and equipment	91	88	274	267
Communications and data processing	73	74	216	220
Payroll and other taxes	53	47	171	158
Advertising	13	12	50	42
Postage and shipping	13	12	38	39
Professional and consulting fees	16	13	44	34
Other operating expenses	45	48	143	135
Total operating expenses	1,388	1,250	4,062	3,681
Income before allocations to partners	195	168	575	489
Allocations to partners:				
Limited partners	20	20	61	57
Subordinated limited partners	23	17	66	53
General partners	152	131	448	379
Net Income	\$ -	\$ -	\$ -	\$ -
Income allocated to limited partners per weighted average \$1,000 equivalent limited partnership unit outstanding	\$ 32.77	\$ 30.13	\$ 96.71	\$ 87.77
Weighted average \$1,000 equivalent limited partnership units outstanding	635,856	644,042	637,638	646,223

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

# PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements, continued

### THE JONES FINANCIAL COMPANIES, L.L.L.P. CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERSHIP CAPITAL SUBJECT TO MANDATORY REDEMPTION NINE MONTHS ENDED SEPTEMBER 26, 2014 AND SEPTEMBER 27, 2013 (Unaudited)

<i>(Dollars in millions)</i>	<i>Limited Partnership Capital</i>	<i>Subordinated Limited Partnership Capital</i>	<i>General Partnership Capital</i>	<i>Total</i>
TOTAL PARTNERSHIP CAPITAL SUBJECT TO MANDATORY REDEMPTION, DEC 31, 2012	\$ 696	\$ 302	\$ 985	\$1,983
Reserve for anticipated withdrawals	(45)	(19)	(107)	(171)
Partnership capital subject to mandatory redemption, net of reserve for anticipated withdrawals, Dec 31, 2012	\$ 651	\$ 283	\$ 878	\$1,812
Partnership loans outstanding, Dec 31, 2012	-	-	170	170
Total partnership capital, including capital financed with partnership loans, net of reserve for anticipated withdrawals, Dec 31, 2012	651	283	1,048	1,982
Issuance of partnership interests	-	31	101	132
Redemption of partnership interests	(8)	(10)	(92)	(110)
Income allocated to partners	57	53	379	489
Distributions	(5)	(48)	(267)	(320)
Total partnership capital, including capital financed with partnership loans	695	309	1,169	2,173
Partnership loans outstanding, Sept 27, 2013	-	-	(215)	(215)
TOTAL PARTNERSHIP CAPITAL SUBJECT TO MANDATORY REDEMPTION, SEPT 27, 2013	\$ 695	\$ 309	\$ 954	\$1,958
Reserve for anticipated withdrawals	(52)	(5)	(59)	(116)
Partnership capital subject to mandatory redemption, net of reserve for anticipated withdrawals, Sept 27, 2013	\$ 643	\$ 304	\$ 895	\$1,842
TOTAL PARTNERSHIP CAPITAL SUBJECT TO MANDATORY REDEMPTION, DEC 31, 2013	\$ 688	\$ 329	\$ 1,064	\$2,081
Reserve for anticipated withdrawals	(48)	(24)	(151)	(223)
Partnership capital subject to mandatory redemption, net of reserve for anticipated withdrawals, Dec 31, 2013	\$ 640	\$ 305	\$ 913	\$1,858
Partnership loans outstanding, Dec 31, 2013	-	-	215	215
Total partnership capital, including capital financed with partnership loans, net of reserve for anticipated withdrawals, Dec 31, 2013	640	305	1,128	2,073
Issuance of partnership interests	-	47	92	139
Redemption of partnership interests	(5)	(16)	(101)	(122)
Income allocated to partners	61	66	448	575
Distributions	(5)	(59)	(314)	(378)
Total partnership capital, including capital financed with partnership loans	691	343	1,253	2,287
Partnership loans outstanding, Sept 26, 2014	-	(2)	(196)	(198)
TOTAL PARTNERSHIP CAPITAL SUBJECT TO MANDATORY REDEMPTION, SEPT 26, 2014	\$ 691	\$ 341	\$ 1,057	\$2,089
Reserve for anticipated withdrawals	(56)	(7)	(72)	(135)
Partnership capital subject to mandatory redemption, net of reserve for anticipated withdrawals, Sept 26, 2014	\$ 635	\$ 334	\$ 985	\$1,954

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

# PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements, continued

### THE JONES FINANCIAL COMPANIES, L.L.P. CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	<i>Nine Months Ended</i>	
	<i>September 26, 2014</i>	<i>September 27, 2013</i>
<i>(Dollars in millions)</i>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ -	\$ -
Adjustments to reconcile net income to net cash provided by operating activities:		
Income before allocations to partners	575	489
Depreciation and amortization	61	62
Changes in assets and liabilities:		
Cash and investments segregated under federal regulations	312	(377)
Securities purchased under agreements to resell	216	97
Net payable to clients	(634)	(97)
Net receivable from brokers, dealers and clearing organizations	61	105
Receivable from mutual funds, insurance companies and other	(59)	(45)
Securities owned	4	(34)
Other assets	19	29
Accrued compensation and employee benefits	102	134
Accounts payable, accrued expenses and other	71	29
Net cash provided by operating activities	<u>728</u>	<u>392</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment, property and improvements, net	(67)	(63)
Net cash used in investing activities	<u>(67)</u>	<u>(63)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of long-term debt	(1)	(1)
Repayment of subordinated liabilities	(50)	(50)
Issuance of partnership interests (net of partnership loans)	55	38
Redemption of partnership interests	(122)	(110)
Distributions from partnership capital	(601)	(491)
Issuance of partnership loans	—	(11)
Repayment of partnership loans	101	60
Net cash used in financing activities	<u>(618)</u>	<u>(565)</u>
Net increase (decrease) in cash and cash equivalents	43	(236)
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of period	600	601
End of period	<u>\$ 643</u>	<u>\$ 365</u>
Cash paid for interest	<u>\$ 41</u>	<u>\$ 43</u>
Cash paid for taxes	<u>\$ 8</u>	<u>\$ 8</u>
<b>NON-CASH ACTIVITIES:</b>		
Additions of equipment, property and improvements in accounts payable and accrued expenses	<u>\$ 1</u>	<u>\$ 2</u>
Issuance of general partnership interests through partnership loans in current period	<u>\$ 84</u>	<u>\$ 94</u>

*The accompanying notes are an integral part of these Consolidated Financial Statements.*

## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements, continued

#### **THE JONES FINANCIAL COMPANIES, L.L.P. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** (Unaudited)

(Dollars in millions)

#### **NOTE 1 – INTRODUCTION AND BASIS OF PRESENTATION**

The accompanying Consolidated Financial Statements include the accounts of The Jones Financial Companies, L.L.P. and all wholly-owned subsidiaries (collectively, the “Partnership”). All material intercompany balances and transactions have been eliminated in consolidation. Non-controlling minority interests are accounted for under the equity method. The results of the Partnership’s subsidiaries in Canada are included in the Partnership’s Consolidated Financial Statements for the three and nine month periods ended August 31, 2014 and 2013 because of the timing of the Partnership’s financial reporting process.

The Partnership’s principal operating subsidiary, Edward D. Jones & Co., L.P. (“Edward Jones”), is comprised of two registered broker-dealers primarily serving individual investors in the United States (“U.S.”) and, through a subsidiary, Canada. Edward Jones primarily derives its revenues from the retail brokerage business through the sale of listed and unlisted securities and insurance products, investment banking, principal transactions, distribution of mutual fund shares, and through fees related to assets held by and account services provided to its clients. The Partnership conducts business throughout the U.S. and Canada with its clients, various brokers, dealers, clearing organizations, depositories and banks. For financial information related to the Partnership’s two operating segments for the three and nine month periods ended September 26, 2014 and September 27, 2013, see Note 7 to the Consolidated Financial Statements. Trust services are offered to Edward Jones’ U.S. clients through Edward Jones Trust Company (“EJTC”), a wholly-owned subsidiary of the Partnership.

The Consolidated Financial Statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the U.S. (“GAAP”) which require the use of certain estimates by management in determining the Partnership’s assets, liabilities, revenues and expenses. Actual results could differ from these estimates.

The interim financial information included herein is unaudited. However, in the opinion of management, such information includes all adjustments, consisting primarily of normal recurring accruals, which are necessary for a fair presentation of the results of interim operations. Certain prior period amounts have been reclassified to conform to the current period presentation.

There have been no material changes to the Partnership’s significant accounting policies as described in the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2013 (“Annual Report”). The results of operations for the three and nine month periods ended September 26, 2014 are not necessarily indicative of the results to be expected for the year ended December 31, 2014. These Consolidated Financial Statements should be read in conjunction with the Annual Report.

## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements, continued

#### NOTE 2 – FAIR VALUE

Substantially all of the Partnership's financial assets and financial liabilities covered under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 820, *Fair Value Measurement and Disclosure* ("ASC 820"), are carried at fair value or contracted amounts which approximate fair value. Upon the adoption of fair value guidance set forth in FASB ASC No. 825, *Financial Instruments*, the Partnership elected not to take the fair value option on all debt and liabilities subordinated to the claims of general creditors.

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, also known as the "exit price." Financial assets are marked to bid prices and financial liabilities are marked to offer prices. The Partnership's financial assets and financial liabilities recorded at fair value in the Consolidated Statements of Financial Condition are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by ASC 820 with the related amount of subjectivity associated with the inputs to value these assets and liabilities at fair value for each level, are as follows:

Level I – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

The types of assets and liabilities categorized as Level I generally are U.S. treasuries, investments in publicly traded mutual funds with quoted market prices, government and agency obligations, and equities listed in active markets.

Level II – Inputs (other than quoted prices included in Level I) are either directly or indirectly observable for the asset or liability through correlation with related market data at the measurement date and for the duration of the instrument's anticipated life. The Partnership uses the market approach valuation technique which incorporates third-party pricing services and other relevant observable information (such as market interest rates, yield curves, prepayment risk and credit risk generated by market transactions involving identical or comparable assets or liabilities) in valuing these types of investments. When third-party pricing services are used, the methods and assumptions used are reviewed by the Partnership.

The types of assets and liabilities categorized as Level II generally are certificates of deposit, state and municipal obligations, corporate bonds and notes, and collateralized mortgage obligations.

Level III – Inputs are both unobservable and significant to the overall fair value measurement. These inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the inputs to the model.

The Partnership did not have any assets or liabilities categorized as Level III during the periods ended September 26, 2014 and December 31, 2013. In addition, there were no transfers into or out of Levels I, II or III during these periods. Securities sold, not yet purchased are included within accounts payable, accrued expenses and other on the Consolidated Statements of Financial Condition.



# PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements, continued

The following tables show the Partnership's financial assets and liabilities measured at fair value:

Financial Assets at Fair Value as of September 26, 2014				
	Level I	Level II	Level III	Total
Investments segregated under federal regulations:				
U.S. treasuries	\$ 1,057	\$ -	\$ -	\$ 1,057
Certificates of deposit	-	225	-	225
Total investments segregated under federal regulations	\$ 1,057	\$ 225	\$ -	\$ 1,282
Securities owned:				
Inventory securities:				
State and municipal obligations	\$ -	\$ 43	\$ -	\$ 43
Equities	33	-	-	33
Certificates of deposit	-	5	-	5
Corporate bonds and notes	-	3	-	3
Other	1	1	-	2
Total inventory securities	\$ 34	\$ 52	\$ -	\$ 86
Investment securities:				
Mutual funds	\$ 129	\$ -	\$ -	\$ 129
Government and agency obligations	19	-	-	19
Equities	4	-	-	4
Other	-	1	-	1
Total investment securities	\$ 152	\$ 1	\$ -	\$ 153
Financial Liabilities at Fair Value as of September 26, 2014				
	Level I	Level II	Level III	Total
Securities sold, not yet purchased:				
Corporate bonds and notes	\$ -	\$ 2	\$ -	\$ 2
Equities	2	-	-	2
Total securities sold, not yet purchased	\$ 2	\$ 2	\$ -	\$ 4

# PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements, continued

Financial Assets at Fair Value as of December 31, 2013				
	Level I	Level II	Level III	Total
Investments segregated under federal regulations:				
U.S. treasuries	\$ 1,154	\$ -	\$ -	\$ 1,154
Certificates of deposit	-	225	-	225
Total investments segregated under federal regulations	\$ 1,154	\$ 225	\$ -	\$ 1,379
Securities owned:				
Inventory securities:				
State and municipal obligations	\$ -	\$ 67	\$ -	\$ 67
Equities	27	-	-	27
Corporate bonds and notes	-	3	-	3
Certificates of deposit	-	2	-	2
Unit investment trusts	2	-	-	2
Other	-	1	-	1
Total inventory securities	\$ 29	\$ 73	\$ -	\$ 102
Investment securities:				
Mutual funds	\$ 116	\$ -	\$ -	\$ 116
Government and agency obligations	19	-	-	19
Equities	5	-	-	5
Other	-	1	-	1
Total investment securities	\$ 140	\$ 1	\$ -	\$ 141
Financial Liabilities at Fair Value as of December 31, 2013				
	Level I	Level II	Level III	Total
Securities sold, not yet purchased:				
Corporate bonds and notes	\$ -	\$ 2	\$ -	\$ 2
Equities	1	-	-	1
Other	-	1	-	1
Total securities sold, not yet purchased	\$ 1	\$ 3	\$ -	\$ 4

The Partnership attempts to reduce its exposure to market price fluctuations of its inventory securities through the sale of U.S. Treasury securities futures contracts. The amount of open futures contracts fluctuates on a daily basis due to changes in inventory securities owned, interest rates and market conditions. Futures contracts are settled daily, and any gain or loss is recognized as a component of net inventory gains, which are included in principal transactions revenue. The notional amounts of futures contracts outstanding were \$5 and \$9 at September 26, 2014 and December 31, 2013, respectively. The average notional amounts of futures contracts outstanding throughout the three and nine month periods ended September 26, 2014 and the year ended December 31, 2013 were approximately \$4, \$5 and \$7, respectively. The underlying assets of these contracts are not reflected in the Partnership's Consolidated Financial Statements; however, the related mark-to-market adjustments are included in receivables from mutual funds, insurance companies and other in the Consolidated Statements of Financial Condition and were unrealized gains of \$0.013 and \$0.031 as of September 26, 2014 and December 31, 2013, respectively. The total gains or losses related to these assets, recorded within the Consolidated Statements of Income, were losses of \$0.072 and \$0.575 for the three and nine month periods ended September 26, 2014, respectively, and gains of \$0.013 and \$0.214 for the three and nine month periods ended September 27, 2013, respectively.

## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements, continued

The Partnership estimates the fair value of long-term debt and the liabilities subordinated to claims of general creditors based on the present value of future principal and interest payments associated with the debt, using current interest rates for debt of a similar nature as that of the Partnership (Level II input). The following table shows the estimated fair values and book values of long-term debt and liabilities subordinated to claims of general creditors as of:

	September 26, 2014		December 31, 2013	
	Book Value	Fair Value	Book Value	Fair Value
Long-term debt	\$ 3	\$ 4	\$ 4	\$ 5
Liabilities subordinated to claims of general creditors	-	-	50	50
Total	<u>\$ 3</u>	<u>\$ 4</u>	<u>\$ 54</u>	<u>\$ 55</u>

In June 2014, the Partnership paid the final scheduled installment on the liabilities subordinated to claims of general creditors of \$50.

### NOTE 3 – LINES OF CREDIT

The following table shows the composition of the Partnership's aggregate bank lines of credit in place as of:

	September 26, 2014	December 31, 2013
2013 Credit Facility	\$ 400	\$ 400
Uncommitted secured credit facilities	365	415
Total lines of credit	<u>\$ 765</u>	<u>\$ 815</u>

In November 2013, the Partnership entered into an agreement with 12 banks for a five-year \$400 committed unsecured revolving line of credit ("2013 Credit Facility"), which has an expiration date of November 15, 2018 and replaced a similar credit facility. The 2013 Credit Facility is intended to provide short-term liquidity to the Partnership should the need arise. The 2013 Credit Facility has a tiered interest rate margin based on the Partnership's leverage ratio (ratio of total debt to total capitalization). Borrowings made with a three-day advance notice will have a rate of one-month LIBOR plus a margin ranging from 1.25% to 2.00%. Same day borrowings, which are subject to certain borrowing notification cutoff times, will have a rate consisting of a margin ranging from 0.25% to 1.00% plus the greater of the prime rate, the federal funds effective rate plus 1.00%, or the one-month LIBOR rate plus 1.00%. In accordance with the terms of the 2013 Credit Facility, the Partnership is required to maintain a leverage ratio of no more than 35% and minimum partnership capital, net of reserve for anticipated withdrawals, of at least \$1,382 plus 50% of subsequent issuances of partnership capital. As of September 26, 2014, the Partnership was in compliance with all covenants related to the 2013 Credit Facility.

The Partnership's uncommitted lines of credit are subject to change at the discretion of the banks and, therefore, due to credit market conditions and the uncommitted nature of these credit facilities, it is possible these lines of credit could decrease or not be available in the future. Actual borrowing availability on the uncommitted lines of credit is based on client margin securities and Partnership securities, which would serve as collateral in the event the Partnership borrowed against these lines.

## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements, continued

There were no amounts outstanding on the 2013 Credit Facility and the uncommitted lines of credit as of September 26, 2014 and December 31, 2013. In addition, the Partnership did not have any draws against these lines of credit during the nine and twelve month periods ended September 26, 2014 and December 31, 2013, respectively, except for one nominal advance made on both the committed facility and the uncommitted facility for the purpose of testing draw procedures.

#### NOTE 4 – PARTNERSHIP CAPITAL SUBJECT TO MANDATORY REDEMPTION

The following table shows the Partnership's capital subject to mandatory redemption as of:

	September 26, 2014	December 31, 2013
Partnership capital outstanding:		
Limited partnership capital	\$ 635	\$ 640
Subordinated limited partnership capital	336	305
General partnership capital	1,181	1,128
Total partnership capital outstanding	2,152	2,073
Partnership loans outstanding:		
Partnership loans outstanding at beginning of period	(215)	(170)
Partnership loans issued during the period	(84)	(107)
Repayment of partnership loans during the period	101	62
Total partnership loans outstanding	(198)	(215)
Partnership capital subject to mandatory redemption, net of reserve for anticipated withdrawals	1,954	1,858
Reserve for anticipated withdrawals	135	223
Partnership capital subject to mandatory redemption	<u>\$ 2,089</u>	<u>\$ 2,081</u>

FASB ASC No. 480, *Distinguishing Liabilities from Equity* ("ASC 480"), established standards for classifying and measuring certain financial instruments with characteristics of both liabilities and equity. Under the provisions of ASC 480, the obligation to redeem a partner's capital in the event of a partner's death is one of the criteria requiring capital to be classified as a liability.

In June 2014 the Partnership entered into the Nineteenth Amended and Restated Agreement of Registered Limited Liability Limited Partnership (the "Partnership Agreement"). Under the terms of the Partnership Agreement, a partner's capital is required to be redeemed by the Partnership in the event of the partner's death or withdrawal from the Partnership, subject to compliance with ongoing regulatory capital requirements. In the event of a partner's death, the Partnership generally redeems the partner's capital within six months. The Partnership has restrictions in place which govern the withdrawal of capital. Under the terms of the Partnership Agreement, limited partners withdrawing from the Partnership are to be repaid their capital in three equal annual installments beginning no earlier than 90 days after their withdrawal notice is received by the Managing Partner. The capital of general partners withdrawing from the Partnership is converted to subordinated limited partnership capital or, at the discretion of the Managing Partner, redeemed by the Partnership. Subordinated limited partners are repaid their capital in six equal annual installments beginning no earlier than 90 days after their request for withdrawal of contributed capital is received by the Managing Partner. The Partnership's Managing Partner

## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements, continued

has discretion to waive or modify these withdrawal restrictions and to accelerate the return of capital. All current and future partnership capital is subordinate to all current and future liabilities of the Partnership. The Partnership Agreement includes additional terms.

Since the Partnership Agreement obligates the Partnership to redeem a partner's capital after a partner's death, ASC 480 requires all of the Partnership's equity capital be classified as a liability. In accordance with ASC 480, income allocable to limited, subordinated limited and general partners is classified as a reduction of income before allocations to partners, which results in presentation of \$0 net income.

Net income, as defined in the Partnership Agreement, is equivalent to income before allocations to partners on the Consolidated Statements of Income. Such income, if any, for each calendar year is allocated to the Partnership's three classes of capital in accordance with the formulas prescribed in the Partnership Agreement. Income allocations are based upon partner capital contributions, including capital contributions financed with loans from the Partnership as indicated in the previous table. First, limited partners are allocated net income (as defined in the Partnership Agreement) in accordance with the prescribed formula for their share of net income. Limited partners do not share in the net loss in any year in which there is a net loss and the Partnership is not dissolved or liquidated. Thereafter, subordinated limited partners and general partners are allocated any remaining net income or net loss based on formulas as defined in the Partnership Agreement.

The Partnership filed a Registration Statement on Form S-8 with the U.S. Securities and Exchange Commission ("SEC") on January 17, 2014 to register \$350 in securities in preparation for its 2014 Limited Partnership offering. The Partnership is in the process of offering approximately \$311 in Interests to eligible financial advisors, branch office administrators and home office associates. Of this amount, it is expected approximately \$300 will be accepted, with the remainder available for future issuance at the discretion of the Managing Partner and Executive Committee, which may include issuances to financial advisors who complete a retirement transition plan in future years and who may be considered for additional Interests. The 2014 Limited Partnership offering is expected to close in early 2015. Limited partners participate in the Partnership's profits and are paid a minimum 7.5% annual return on the face amount of their capital ("7.5% Payment"), although the 7.5% Payment is not guaranteed by the Partnership and no reserve has been set aside for such payments.

The Partnership makes loans available to those general partners (other than members of the Executive Committee, which consists of the executive officers of the Partnership) who require financing for some or all of their partnership capital contributions. It is anticipated that a majority of future general and subordinated limited partnership capital contributions (other than for Executive Committee members) requiring financing will be financed through partnership loans. In limited circumstances a general partner may withdraw from the Partnership and become a subordinated limited partner while he or she still has an outstanding partnership loan. Loans made by the Partnership to partners are generally for a period of one year but are expected to be renewed and bear interest at the prime rate, as defined in the loan documents. The Partnership recognizes interest income for the interest received related to these loans. The outstanding amount of partner loans financed through the Partnership is reflected as a reduction to total partnership capital in the Consolidated Statements of Changes in Partnership Capital Subject to Mandatory Redemption. As of September 26, 2014 and December 31, 2013, the outstanding amount of partner loans financed through the Partnership was \$198 and \$215, respectively. Interest income earned from these loans, which is included in interest and dividends in the Consolidated Statements of Income, was \$1 and \$5 for the three and nine month periods ended September 26, 2014, respectively, and \$2 and \$6 for the three and nine month periods ended September 27, 2013, respectively.

## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements, continued

The limited partnership capital subject to mandatory redemption is held by current and former associates, who are current and former employees of the Partnership, and general partners of the Partnership. Limited partners participate in the Partnership's profits and are paid a minimum 7.5% annual return on the face amount of their capital, in accordance with the Partnership Agreement. The minimum 7.5% annual return was \$12 and \$36 for the three and nine month periods ended September 26, 2014, respectively, and \$12 and \$36 for the three and nine month periods ended September 27, 2013, respectively. These amounts are included as a component of interest expense in the Consolidated Statements of Income.

The subordinated limited partnership capital subject to mandatory redemption is held by current and former general partners of the Partnership. Subordinated limited partners receive a percentage of the Partnership's net income determined in accordance with the Partnership Agreement. The subordinated limited partnership capital subject to mandatory redemption is subordinated to the limited partnership capital.

The general partnership capital subject to mandatory redemption is held by current general partners of the Partnership. General partners receive a percentage of the Partnership's net income determined in accordance with the Partnership Agreement. The general partnership capital subject to mandatory redemption is subordinated to the limited partnership capital and the subordinated limited partnership capital.

### **NOTE 5 – NET CAPITAL REQUIREMENTS**

As a result of its activities as a broker-dealer, Edward Jones is subject to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934 ("Exchange Act") and capital compliance rules of the Financial Industry Regulatory Authority ("FINRA") Rule 4110. Under the alternative method permitted by the rules, Edward Jones must maintain minimum net capital equal to the greater of \$0.25 or 2% of aggregate debit items arising from client transactions. The net capital rules also provide that Edward Jones' partnership capital may not be withdrawn if resulting net capital would be less than minimum requirements. Additionally, certain withdrawals require the approval of the SEC and FINRA to the extent they exceed defined levels, even though such withdrawals would not cause net capital to be less than minimum requirements.

The Partnership's Canada broker-dealer is a registered securities dealer regulated by the Investment Industry Regulatory Organization of Canada ("IIROC"). Under the regulations prescribed by IIROC, the Partnership is required to maintain minimum levels of risk adjusted capital, which are dependent on the nature of the Partnership's assets and operations.

## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements, continued

The following table shows the Partnership's net capital figures for its U.S. and Canada broker-dealers as of:

	September 26, 2014	December 31, 2013
<b>U.S.:</b>		
Net capital	\$ 958	\$ 873
Net capital in excess of the minimum required	\$ 909	\$ 830
Net capital as a percentage of aggregate debit items	39.1%	41.4%
Net capital after anticipated capital withdrawals, as a percentage of aggregate debit items	27.5%	24.8%
<b>Canada:</b>		
Regulatory risk adjusted capital	\$ 27	\$ 34
Regulatory risk adjusted capital in excess of the minimum required to be held by IIROC	\$ 20	\$ 27

Net capital and the related capital percentages may fluctuate on a daily basis. In addition, EJTC was in compliance with its regulatory capital requirements.

### NOTE 6 – CONTINGENCIES

In the normal course of business, the Partnership has been named as a defendant in various legal actions, including arbitrations, class actions and other litigation. Certain of these legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. The Partnership is also involved from time to time in investigations and proceedings by governmental and self-regulatory organizations, certain of which may result in adverse judgments, fines or penalties. In addition, the Partnership provides for potential losses that may arise related to other contingencies.

The Partnership assesses its liabilities and contingencies utilizing available information. For those matters where it is probable the Partnership will incur a potential loss and the amount of the loss is reasonably estimable, in accordance with FASB ASC No. 450, *Contingencies*, an accrued liability has been established. These reserves represent the Partnership's aggregate estimate of the potential loss contingency at September 26, 2014 and are believed to be sufficient. Such liability may be adjusted from time to time to reflect any relevant developments.

For such matters where an accrued liability has not been established and the Partnership believes a loss is both reasonably possible and estimable, as well as for matters where an accrued liability has been recorded but for which an exposure to loss in excess of the amount accrued is both reasonably possible and estimable, the current estimated aggregated range of additional possible loss is \$7 to \$39. This range of reasonably possible loss does not necessarily represent the Partnership's maximum loss exposure as the Partnership was not able to estimate a range of reasonably possible loss for all matters.

Further, the matters underlying any disclosed estimated range will change from time to time, and actual results may vary significantly. While the outcome of these matters is inherently uncertain, based on information currently available, the Partnership believes that its established reserves at September 26, 2014 are adequate and the liabilities arising from such proceedings will not have a material adverse effect on the consolidated financial position, results of operations or cash flows of the Partnership. However, based on future developments and the potential unfavorable resolution of these matters, the outcome could be material to the Partnership's future consolidated operating results for a particular period or periods.

## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements, continued

#### NOTE 7 – SEGMENT INFORMATION

The Partnership has determined it has two operating and reportable segments based upon geographic location, the U.S. and Canada. Canada segment information is based upon the Consolidated Financial Statements of the Partnership's Canada operations without eliminating intercompany items, such as management fees paid to affiliated entities. The U.S. segment information is derived from the Consolidated Financial Statements less the Canada segment information as presented. This is consistent with how management reviews the segments in order to assess performance.

The Partnership derived from one mutual fund company 19% and 20% of its total revenue for the three and nine month periods ended September 26, 2014, respectively, and 19% of its total revenue for both the three and nine month periods ended September 27, 2013. The revenue generated from this company related to business conducted with the Partnership's U.S. segment. Significant reductions in revenue due to regulatory reform or other changes to the Partnership's relationship with this mutual fund company could have a material impact on the Partnership's results of operations.

The following table shows financial information for the Partnership's reportable segments:

	Three Months Ended		Nine Months Ended	
	September 26, 2014	September 27, 2013	September 26, 2014	September 27, 2013
Net revenue:				
U.S.	\$ 1,532	\$ 1,370	\$ 4,483	\$ 4,020
Canada	51	48	154	150
Total net revenue	<u>\$ 1,583</u>	<u>\$ 1,418</u>	<u>\$ 4,637</u>	<u>\$ 4,170</u>
Pre-variable income:				
U.S.	\$ 411	\$ 338	\$ 1,157	\$ 942
Canada	2	1	9	6
Total pre-variable income	413	339	1,166	948
Variable compensation:				
U.S.	213	167	575	446
Canada	5	4	16	13
Total variable compensation	218	171	591	459
Income (loss) before allocations to partners:				
U.S.	198	171	582	496
Canada	(3)	(3)	(7)	(7)
Total income before allocations to partners	<u>\$ 195</u>	<u>\$ 168</u>	<u>\$ 575</u>	<u>\$ 489</u>



## PART I. FINANCIAL INFORMATION

### Item 1. Financial Statements, continued

#### NOTE 8 – OFFSETTING ASSETS AND LIABILITIES

The Partnership does not offset financial instruments in the Consolidated Statements of Financial Condition. However, the Partnership enters into master netting arrangements with counterparties for securities purchased under agreements to resell that are subject to net settlement in the event of default. These agreements create a right of offset for the amounts due to and due from the same counterparty in the event of default or bankruptcy.

The following table shows the Partnership's securities purchased under agreements to resell as of:

	Gross amounts of recognized assets	Gross amounts offset in the Consolidated Statements of Financial Condition	Net amounts presented in the Consolidated Statements of Financial Condition	Gross amounts not offset in the Consolidated Statements of Financial Condition		Net amount
				Financial instruments	Securities collateral <sup>(1)</sup>	
Sept 26, 2014	\$ 810	-	810	-	(810)	\$ -
Dec 31, 2013	\$ 1,026	-	1,026	-	(1,026)	\$ -

<sup>(1)</sup> Actual collateral was greater than 102% of the related assets in U.S. agreements and greater than 100% in Canada agreements for all periods presented.

#### NOTE 9 – RECENTLY ISSUED ACCOUNTING STANDARDS

In May 2014, the FASB and the International Accounting Standards Board ("IASB") jointly issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance. The objective of ASU 2014-09 is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 will be effective for the first quarter of 2017. An entity can elect to adopt ASU 2014-09 using one of two methods, either full retrospective adoption to each prior reporting period, or recognize the cumulative effect of adoption at the date of initial application. The Partnership is in the process of evaluating the new standard and does not know the effect, if any, ASU 2014-09 will have on the Consolidated Financial Statements or which adoption method will be used.

## PART I. FINANCIAL INFORMATION

### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis is intended to help the reader understand the results of operations and the financial condition of the Partnership. Management's Discussion and Analysis should be read in conjunction with the Consolidated Financial Statements and accompanying notes included in Item 1, Financial Statements of this Quarterly Report on Form 10-Q and Item 8, Financial Statements and Supplementary Data of the Partnership's Annual Report.

#### **Basis of Presentation**

The Partnership broadly categorizes its net revenues into four categories: fee revenue, trade revenue (revenue from client buy or sell transactions of securities), net interest and dividends revenue (net of interest expense) and other revenue. In the Consolidated Statements of Income, fee revenue is composed of asset-based fees and account and activity fees. Trade revenue is composed of commissions, principal transactions and investment banking. These sources of revenue are affected by a number of factors. Asset-based fees are generally a percentage of the total value of specific assets in client accounts. These fees are impacted by client dollars invested in and divested from the accounts which generate asset-based fees and change in market values of the assets. Account and activity fees and other revenue are impacted by the number of client accounts and the variety of services provided to those accounts, among other factors. Trade revenue is impacted by the number of financial advisors, trading volume (client dollars invested), mix of the products in which clients invest, margins earned on the transactions and market volatility. Net interest and dividends revenue is impacted by the amount of cash and investments, receivables from and payables to clients, the variability of interest rates earned and paid on such balances, the number of Interests, and the balances of partnership loans, long-term debt and liabilities subordinated to claims of general creditors.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### OVERVIEW

The following table sets forth the change in major categories of the Consolidated Statements of Income as well as several key related metrics for the three and nine month periods ended September 26, 2014 and September 27, 2013. Management of the Partnership relies on this financial information and the related metrics to evaluate the Partnership's operating performance and financial condition. All amounts are presented in millions, except the number of financial advisors and as otherwise noted.

	Three Months Ended			Nine Months Ended		
	Sept 26, 2014	Sept 27, 2013	% Change	Sept 26, 2014	Sept 27, 2013	% Change
<b>Revenue:</b>						
Fee revenue:						
Asset-based	\$ 797	\$ 646	23%	\$ 2,277	\$ 1,833	24%
Account and activity	156	143	9%	447	422	6%
Total fee revenue	953	789	21%	2,724	2,255	21%
% of net revenue	60%	56%		59%	54%	
Trade revenue:						
Commissions	532	504	6%	1,609	1,610	0%
Principal transactions	32	64	-50%	106	124	-15%
Investment banking	42	30	40%	117	88	33%
Total trade revenue	606	598	1%	1,832	1,822	1%
% of net revenue	38%	42%		40%	44%	
Net interest and dividends	21	19	11%	56	55	2%
Other revenue	3	12	-75%	25	38	-34%
Net revenue	1,583	1,418	12%	4,637	4,170	11%
Operating expenses	1,388	1,250	11%	4,062	3,681	10%
Income before allocations to partners	\$ 195	\$ 168	16%	\$ 575	\$ 489	18%
<b>Related metrics:</b>						
Client dollars invested <sup>(1)</sup> :						
Trade (\$ billions)	\$ 27.7	\$ 26.4	5%	\$ 83.3	\$ 80.6	3%
Advisory programs (\$ billions)	\$ 5.4	\$ 4.5	20%	\$ 16.0	\$ 14.6	10%
Client households at period end (millions)	4.66	4.58	2%	4.66	4.58	2%
Net new assets for the period end (\$ billions)	\$ 12.3	\$ 9.7	27%	\$ 39.0	\$ 30.8	27%
Client assets under care:						
Total:						
At period end (\$ billions)	\$ 848.2	\$ 745.8	14%	\$ 848.2	\$ 745.8	14%
Average (\$ billions)	\$ 850.4	\$ 728.4	17%	\$ 821.8	\$ 711.3	16%
Advisory programs:						
At period end (\$ billions)	\$ 132.9	\$ 106.8	24%	\$ 132.9	\$ 106.8	24%
Average (\$ billions)	\$ 132.1	\$ 103.4	28%	\$ 125.3	\$ 97.4	29%
Financial advisors:						
At period end	13,807	12,996	6%	13,807	12,996	6%
Average	13,659	12,877	6%	13,446	12,693	6%
Attrition %	8.8%	9.1%	n/a	8.5%	9.3%	n/a
Dow Jones Industrial Average (actual):						
At period end	17,113	15,258	12%	17,113	15,258	12%
Average for period	16,949	15,288	11%	16,580	14,760	12%
S&P 500 Index (actual):						
At period end	1,983	1,692	17%	1,983	1,692	17%
Average for period	1,976	1,675	18%	1,904	1,601	19%

<sup>(1)</sup> Client dollars invested related to trade revenue represent the principal amount of clients' buy and sell transactions resulting in commissions, principal transactions and investment banking revenues. Client dollars invested related to advisory programs revenue represent the net inflows of client dollars into the programs.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### Third Quarter 2014 versus 2013 Overview

The Partnership experienced strong results during the third quarter of 2014 compared to 2013, including record net revenue, income before allocations to partners and client assets under care. Results benefitted from net new assets and rising market conditions, including increases of 18% in the average S&P 500 Index and 11% in the average Dow Jones Industrial Average.

The Partnership's key performance measures were strong during the third quarter of 2014 and financial advisors attracted \$12.3 billion in net new assets. Average client assets under care grew 17% to \$850.4 billion, which included a 28% increase in the advisory programs' average assets under care to \$132.1 billion. In addition, client dollars invested related to trade revenue were up 5% to \$27.7 billion.

Net revenue increased 12% to \$1.6 billion for the third quarter of 2014. This increase was led by a 21% increase in total fee revenue, primarily due to higher levels of asset values on which fees were earned, driven by the continued investment of client dollars into advisory programs and the overall rise in equity markets.

Operating expenses increased 11% for the third quarter of 2014 compared to 2013, primarily due to increased compensation expense driven by higher revenues on which financial advisors are paid and higher variable compensation due to the increase in the Partnership's profitability.

Overall, the 12% increase in net revenue, partially offset by the 11% increase in operating expenses, generated income before allocations to partners of \$195 million, a 16% increase over the third quarter of 2013.

#### Year to Date 2014 versus 2013 Overview

The Partnership experienced strong results during the first nine months of 2014 compared to 2013, including record net revenue, income before allocations to partners and client assets under care. Results benefitted from net new assets and rising market conditions, including increases of 19% in the average S&P 500 Index and 12% in the average Dow Jones Industrial Average.

The Partnership's key performance measures were strong during the first nine months of 2014 and financial advisors attracted \$39.0 billion in net new assets. Average client assets under care grew 16% to \$821.8 billion, which included a 29% increase in the advisory programs' average assets under care to \$125.3 billion. In addition, client dollars invested related to trade revenue were up 3% to \$83.3 billion.

Net revenue increased 11% to \$4.6 billion for the first nine months of 2014. This increase was led by a 21% increase in total fee revenue, primarily due to higher levels of asset values on which fees were earned, driven by the continued investment of client dollars into advisory programs and the overall rise in equity markets.

Operating expenses increased 10% for the first nine months of 2014 compared to 2013, primarily due to increased compensation expense driven by higher revenues on which financial advisors are paid and higher variable compensation due to the increase in the Partnership's profitability.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

Overall, the 11% increase in net revenue, partially offset by the 10% increase in operating expenses, generated income before allocations to partners of \$575 million, an 18% increase over the first nine months of 2013.

### RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 26, 2014 AND SEPTEMBER 27, 2013

The discussion below details the significant fluctuations and drivers for the major categories of the Partnership's Consolidated Statements of Income.

#### Fee Revenue

Fee revenue, which consists of asset-based fees and account and activity fees, increased 21% to \$953 million and 21% to \$2,724 million in the third quarter and first nine months of 2014 compared to the same periods in 2013, respectively. The increase in fee revenue for the third quarter and first nine months of 2014 was primarily due to higher asset values and continued client investment in advisory programs. A discussion of fee revenue components follows.

#### Asset-based

	Three Months Ended			Nine Months Ended		
	Sept 26, 2014	Sept 27, 2013	% Change	Sept 26, 2014	Sept 27, 2013	% Change
Asset-based fee revenue (\$ millions):						
Advisory programs fees	\$ 452	\$ 354	28%	\$ 1,272	\$ 987	29%
Service fees	291	243	20%	835	700	19%
Revenue sharing	43	39	10%	137	115	19%
Trust fees	10	9	11%	29	25	16%
Cash solutions	1	1	0%	4	6	-33%
Total asset-based fee revenue	<u>\$ 797</u>	<u>\$ 646</u>	<u>23%</u>	<u>\$ 2,277</u>	<u>\$ 1,833</u>	<u>24%</u>
Related metrics (\$ billions):						
Average U.S. client asset values <sup>(1)</sup> :						
Mutual fund assets held outside of advisory programs <sup>(2)</sup>	\$ 372.5	\$ 315.2	18%	\$ 359.4	\$ 304.9	18%
Advisory programs	131.1	103.0	27%	124.5	97.1	28%
Insurance	71.5	63.4	13%	69.8	60.8	15%
Cash solutions	19.9	19.9	0%	20.1	19.8	2%
Total client asset values	<u>\$ 595.0</u>	<u>\$ 501.5</u>	<u>19%</u>	<u>\$ 573.8</u>	<u>\$ 482.6</u>	<u>19%</u>

<sup>(1)</sup> Assets on which the Partnership earns asset-based fee revenue. The U.S. portion of consolidated asset-based fee revenue was 98% for all periods presented.

<sup>(2)</sup> The amounts previously reported for the third quarter and first nine months of September 27, 2013 of \$401.8 billion and \$386.6 billion, respectively, have been corrected to exclude \$86.6 billion and \$81.7 billion, respectively, in mutual fund assets held in advisory programs which had been previously included. The amounts previously reported for the same periods for total client asset values were also corrected by the same amounts. Similar prior period adjustments will be made upon filing the 2014 annual results.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

For the three months ended September 26, 2014, asset-based fee revenue increased 23% to \$797 million compared to the three months ended September 27, 2013. The increase is primarily due to greater advisory programs fees and service fees. The growth in advisory programs fees was primarily due to increased investment of client assets into advisory programs and increases in the market value of the underlying assets. Service fees increased in the third quarter of 2014 due to increases in the market value of the underlying assets as well as continued client investment into mutual fund products, which includes new client assets. A majority of client assets held in advisory programs were converted from other client investments previously held with the Partnership.

For the nine months ended September 26, 2014, asset-based fee revenue increased 24% to \$2,277 million compared to the nine months ended September 27, 2013. The increase is primarily due to greater advisory programs fees and service fees. The growth in advisory programs fees was primarily due to increased investment of client assets into advisory programs and increases in the market value of the underlying assets. Service fees increased in the first nine months of 2014 due to increases in the market value of the underlying assets as well as continued client investment into mutual fund products, which includes new client assets. A majority of client assets held in advisory programs were converted from other client investments previously held with the Partnership.

#### *Account and Activity*

	Three Months Ended			Nine Months Ended		
	Sept 26, 2014	Sept 27, 2013	% Change	Sept 26, 2014	Sept 27, 2013	% Change
Account and activity fee revenue (\$ millions):						
Sub-transfer agent services	\$ 98	\$ 89	10%	\$ 285	\$ 260	10%
Retirement account fees	31	31	0%	90	91	-1%
Other account and activity fees	27	23	17%	72	71	1%
Total account and activity fee revenue	<u>\$ 156</u>	<u>\$ 143</u>	<u>9%</u>	<u>\$ 447</u>	<u>\$ 422</u>	<u>6%</u>
Related metrics (millions):						
Average client:						
Sub-transfer agent holdings serviced	22.2	20.0	11%	21.6	19.6	10%
Retirement accounts	4.7	4.2	12%	4.1	4.1	0%

For the three months ended September 26, 2014, account and activity fee revenue increased 9% to \$156 million compared to the three months ended September 27, 2013. Revenue growth was led by sub-transfer agent service fees due to the increase in the average number of client mutual fund holdings serviced.

For the nine months ended September 26, 2014, account and activity fee revenue increased 6% to \$447 million compared to the nine months ended September 27, 2013. Revenue growth was led by sub-transfer agent service fees due to the increase in the average number of client mutual fund holdings serviced.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### Trade Revenue

Trade revenue, which consists of commissions, principal transactions and investment banking revenue, increased 1% to \$606 million and 1% to \$1,832 million in the third quarter and first nine months of 2014, respectively, compared to the same periods in 2013. The increase in trade revenue for the third quarter and first nine months of 2014 was primarily due to the impact of increased client dollars invested, partially offset by a decrease in the margin earned. A discussion of trade revenue components follows.

#### *Commissions*

	Three Months Ended			Nine Months Ended		
	Sept 26, 2014	Sept 27, 2013	% Change	Sept 26, 2014	Sept 27, 2013	% Change
Commissions revenue (\$ millions):						
Mutual funds	\$ 274	\$ 266	3%	\$ 858	\$ 893	-4%
Equities	151	145	4%	461	443	4%
Insurance	107	93	15%	290	274	6%
Total commissions revenue	<u>\$ 532</u>	<u>\$ 504</u>	<u>6%</u>	<u>\$ 1,609</u>	<u>\$ 1,610</u>	<u>0%</u>
Related metrics:						
Client dollars invested (\$ billions)	\$ 22.4	\$ 20.4	10%	\$ 67.6	\$ 65.8	3%
Margin per \$1,000 invested	\$ 23.7	\$ 24.7	-4%	\$ 23.8	\$ 24.5	-3%
U.S. business days	63	63	0%	186	187	-1%

For the three months ended September 26, 2014, commissions revenue increased 6% to \$532 million compared to the three months ended September 27, 2013. The increase was primarily due to a 10% increase in client dollars invested in commission generating transactions, most notably in insurance products, due to the continued strong equity market. This increase was partially offset by a 4% decrease in the margin earned per \$1,000 invested due to a lower proportion of revenue from mutual funds which have a higher margin than revenue from equities.

For the nine months ended September 26, 2014, commissions revenue was essentially flat at \$1,609 million compared to the nine months ended September 27, 2013. The 3% decrease in the margin earned per \$1,000 invested was due to a lower proportion of revenue from mutual funds which have a higher margin than revenue from equities. This decrease was offset by a 3% increase in client dollars invested in commission generating transactions due to the continued strong equity market.

#### *Principal Transactions*

For the three months ended September 26, 2014, principal transactions revenue decreased 50% to \$32 million compared to the three months ended September 27, 2013. Principal transactions revenue was negatively impacted by a 32% decrease in the margin earned per \$1,000 invested in the third quarter of 2014 as client investment purchases shifted towards products with shorter maturities which have lower margins. Additionally, revenue was negatively impacted by relatively lower interest rates during the third quarter of 2014 compared to the third quarter of 2013 which caused demand to decline and led to a 28% decrease in client dollars invested.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

For the nine months ended September 26, 2014, principal transactions revenue decreased 15% to \$106 million compared to the nine months ended September 27, 2013. Principal transactions revenue was negatively impacted by a 15% decrease in the margin earned per \$1,000 invested as client investment purchases shifted towards products with shorter maturities which have lower margins. The decrease in revenue was also due to a 5% decline in client dollars invested resulting from a weak fixed income market. This decline was partially offset by a \$5 million net inventory loss in 2013, while there was a \$1 million net inventory gain in 2014.

#### *Investment Banking*

For the three months ended September 26, 2014, investment banking revenue increased 40% to \$42 million compared to the three months ended September 27, 2013. The growth in investment banking revenue reflects a 46% increase in client dollars invested, primarily due to improved market conditions which have led to increased investment in equity unit investment trusts.

For the nine months ended September 26, 2014, investment banking revenue increased 33% to \$117 million compared to the nine months ended September 27, 2013. The growth in investment banking revenue reflects a 37% increase in client dollars invested, primarily due to improved market conditions which have led to increased investment in equity unit investment trusts.



## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### Net Interest and Dividends

	Three Months Ended			Nine Months Ended		
	Sept 26, 2014	Sept 27, 2013	% Change	Sept 26, 2014	Sept 27, 2013	% Change
Net interest and dividends revenue (\$ millions):						
Client loan interest	\$ 28	\$ 27	4%	\$ 79	\$ 80	-1%
Short-term investing interest	4	3	33%	11	10	10%
Other interest and dividends	2	3	-33%	7	9	-22%
Limited partnership interest expense	(12)	(12)	0%	(36)	(36)	0%
Other interest expense	(1)	(2)	-50%	(5)	(8)	-38%
Total net interest and dividends revenue	<u>\$ 21</u>	<u>\$ 19</u>	<u>11%</u>	<u>\$ 56</u>	<u>\$ 55</u>	<u>2%</u>
Related metrics (\$ millions):						
Average aggregate client loan balance	\$ 2,396.8	\$ 2,104.1	14%	\$ 2,268.9	\$ 2,102.8	8%
Average rate earned	4.65%	5.12%	-9%	4.72%	5.12%	-8%
Average funds invested	\$ 9,205.9	\$ 8,820.8	4%	\$ 9,291.5	\$ 8,578.4	8%
Average rate earned	0.16%	0.15%	7%	0.16%	0.16%	0%
Weighted average \$1,000 equivalent limited partnership units outstanding	635,856	644,042	-1%	637,638	646,223	-1%

For the three month period ended September 26, 2014, net interest and dividends revenue increased 11% to \$21 million compared to the three month period ended September 27, 2013. Results reflect a 4% increase in client loan interest primarily due to an increase in the average aggregate client loan balance, partially offset by a decrease in the average rate earned. This increase was aided by a decrease in other interest expense primarily due to lower average debt balances during the current period as a result of debt repayments.

For the nine month period ended September 26, 2014, net interest and dividends revenue increased 2% to \$56 million compared to the nine month period ended September 27, 2013. Results reflect a decrease in other interest expense primarily due to lower average debt balances during the current period as a result of debt repayments.

#### Other Revenue

Other revenue decreased 75% to \$3 million and 34% to \$25 million in the third quarter and first nine months of 2014, respectively, compared to the same periods in 2013. These decreases are primarily attributable to smaller increases in the value of the investments held related to the Partnership's nonqualified deferred compensation plan during the current periods compared to prior year. The Partnership has chosen to hedge the future liability for the plan by purchasing investments in an amount similar to the future expected liability. As the market value of these investments fluctuates, the gains or losses are recorded in other revenue with an offset in compensation and fringe benefits expense, resulting in minimal net impact to the Partnership's income before allocations to partners. The decrease in other revenue during the first nine months of 2014 is also attributable to \$4 million the Partnership received in the first quarter of 2013 related to the mortgage joint venture dissolution.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### Operating Expenses

	Three Months Ended			Nine Months Ended		
	Sept 26, 2014	Sept 27, 2013	% Change	Sept 26, 2014	Sept 27, 2013	% Change
Operating expenses (\$ millions):						
Compensation and benefits:						
Financial advisor	\$ 549	\$ 503	9%	\$ 1,615	\$ 1,484	9%
Home office and branch	255	231	10%	742	701	6%
Variable compensation	218	171	27%	591	459	29%
Financial advisor salary and subsidy	62	51	22%	178	142	25%
Total compensation and benefits	1,084	956	13%	3,126	2,786	12%
Occupancy and equipment	91	88	3%	274	267	3%
Communications and data processing	73	74	-1%	216	220	-2%
Payroll and other taxes	53	47	13%	171	158	8%
Advertising	13	12	8%	50	42	19%
Postage and shipping	13	12	8%	38	39	-3%
Professional and consulting fees	16	13	23%	44	34	29%
Other operating expenses	45	48	-6%	143	135	6%
Total operating expenses	<u>\$ 1,388</u>	<u>\$ 1,250</u>	<u>11%</u>	<u>\$ 4,062</u>	<u>\$ 3,681</u>	<u>10%</u>
Related metrics:						
Number of branches:						
At period end	11,906	11,584	3%	11,906	11,584	3%
Average	11,842	11,539	3%	11,757	11,476	2%
Financial advisors:						
At period end	13,807	12,996	6%	13,807	12,996	6%
Average	13,659	12,877	6%	13,446	12,693	6%
Branch associates <sup>(1)(3)</sup> :						
At period end	13,795	13,358	3%	13,795	13,358	3%
Average	13,811	13,433	3%	13,627	13,260	3%
Home office associates <sup>(1)(3)</sup> :						
At period end	5,528	5,405	2%	5,528	5,405	2%
Average	5,661	5,486	3%	5,563	5,426	3%
Home office associates <sup>(1)</sup> per 100 financial advisors (average)	41.4	42.6	-3%	41.4	42.7	-3%
Branch associates <sup>(1)</sup> per 100 financial advisors (average)	101.1	104.3	-3%	101.3	104.5	-3%
Average operating expenses per financial advisor <sup>(2)</sup> (actual)	\$ 45,465	\$ 44,715	2%	\$138,034	\$136,910	1%

<sup>(1)</sup> Counted on a full-time equivalent ("FTE") basis.

<sup>(2)</sup> Operating expenses used in calculation represent total operating expenses less financial advisor and variable compensation.

<sup>(3)</sup> The methodology used to calculate FTEs was revised at the beginning of 2014. Prior period metrics were updated to conform to the new methodology.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

For the three month period ended September 26, 2014, operating expenses increased 11% to \$1.4 billion compared to the three month period ended September 27, 2013 primarily due to a 13% increase in compensation and benefits (described below). The remaining operating expenses increased 3% (\$10 million) primarily due to a \$6 million increase in payroll and other taxes as a result of increased compensation.

Financial advisor compensation increased 9% (\$46 million) in the third quarter of 2014 primarily due to increases in asset-based fee and trade revenues on which financial advisor commissions are paid. Financial advisor salary and subsidy increased 22% (\$11 million) primarily due to growth in financial advisors and compensation initiatives.

Home office and branch salary and fringe benefit expense increased 10% (\$24 million) in the third quarter of 2014 primarily due to higher wages and healthcare costs, as well as more personnel to support increased client activity and growth of the Partnership's financial advisor network. The average number of both the Partnership's home office and branch associates increased 3%.

Variable compensation expands and contracts in relation to the Partnership's related profit margin. As the Partnership's financial results and profit margin improve, a significant portion is allocated to variable compensation and paid to associates in the form of increased bonuses and profit sharing. As a result, variable compensation increased 27% (\$47 million) in the third quarter of 2014 to \$218 million.

The Partnership uses the ratios of both the number of home office and the number of branch associates per 100 financial advisors and the average operating expenses per financial advisor as key metrics in managing its costs. In the third quarter of 2014, the average number of both the home office associates per 100 financial advisors and the number of branch associates per 100 financial advisors decreased 3%. These ratios reflect the Partnership's longer term cost management strategy to grow its financial advisor network at a faster pace than its home office and branch support staff. The average operating expense per financial advisor increased 2% primarily due to increases in home office associates' salary and fringe benefit expenses and branch operating expenses to support the Partnership's financial advisor network, partially offset by the impact of spreading those expenses over more financial advisors.

For the nine month period ended September 26, 2014, operating expenses increased 10% to \$4.1 billion compared to the nine month period ended September 27, 2013 primarily due to a 12% increase in compensation and benefits (described below). The remaining operating expenses increased 5% (\$41 million) primarily due to a \$13 million increase in payroll and other taxes as a result of increased compensation, a \$10 million increase in professional and consulting fees and an \$8 million planned increase in advertising costs.

Financial advisor compensation increased 9% (\$131 million) in the first nine months of 2014 primarily due to increases in asset-based fee and trade revenues on which financial advisor commissions are paid. Financial advisor salary and subsidy increased 25% (\$36 million) primarily due to growth in financial advisors and compensation initiatives.

Home office and branch salary and fringe benefit expense increased 6% (\$41 million) in the first nine months of 2014 primarily due to higher wages and more personnel to support increased client activity and growth of the Partnership's financial advisor network. The average number of both the Partnership's home office and branch associates increased 3%.

Variable compensation increased 29% (\$132 million) in the first nine months of 2014 to \$591 million, reflecting strong financial results and profit margin.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

In the first nine months of 2014, the average number of both the home office associates per 100 financial advisors and the number of branch associates per 100 financial advisors decreased 3%, reflecting growth in the number of financial advisors at a faster pace than growth in the number of home office and branch support staff. The average operating expense per financial advisor increased 1%, primarily due to increases in home office associates' salary and fringe benefit expenses and branch operating expenses to support the Partnership's financial advisor network, partially offset by the impact of spreading those expenses over more financial advisors.

#### **Segment Information**

The Partnership has determined it has two operating and reportable segments based upon geographic location, the U.S. and Canada. Canada segment information is based upon the Consolidated Financial Statements of the Partnership's Canada operations without eliminating intercompany items, such as management fees paid to affiliated entities. The U.S. segment information is derived from the Consolidated Financial Statements less the Canada segment information as presented. This is consistent with how management reviews the segments in order to assess performance.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

The following table shows financial information for the Partnership's reportable segments. All amounts are presented in millions, except the number of financial advisors and as otherwise noted.

	Three Months Ended			Nine Months Ended		
	Sept 26, 2014	Sept 27, 2013	% Change	Sept 26, 2014	Sept 27, 2013	% Change
Net revenue:						
U.S.	\$ 1,532	\$ 1,370	12%	\$ 4,483	\$ 4,020	12%
Canada	51	48	6%	154	150	3%
Total net revenue	1,583	1,418	12%	4,637	4,170	11%
Operating expenses (excluding variable compensation):						
U.S.	1,121	1,032	9%	3,326	3,078	8%
Canada	49	47	4%	145	144	1%
Total operating expenses	1,170	1,079	8%	3,471	3,222	8%
Pre-variable income:						
U.S.	411	338	22%	1,157	942	23%
Canada	2	1	100%	9	6	50%
Total pre-variable income	413	339	22%	1,166	948	23%
Variable compensation:						
U.S.	213	167	28%	575	446	29%
Canada	5	4	25%	16	13	23%
Total variable compensation	218	171	27%	591	459	29%
Income (loss) before allocations to partners:						
U.S.	198	171	16%	582	496	17%
Canada	(3)	(3)	0%	(7)	(7)	0%
Total income before allocations to partners	<u>\$ 195</u>	<u>\$ 168</u>	<u>16%</u>	<u>\$ 575</u>	<u>\$ 489</u>	<u>18%</u>
Client assets under care (\$ billions):						
U.S.						
At period end	\$ 828.7	\$ 728.1	14%	\$ 828.7	\$ 728.1	14%
Average	\$ 830.5	\$ 711.1	17%	\$ 802.7	\$ 694.1	16%
Canada						
At period end	\$ 19.5	\$ 17.7	10%	\$ 19.5	\$ 17.7	10%
Average	\$ 19.9	\$ 17.3	15%	\$ 19.1	\$ 17.2	11%
Financial advisors:						
U.S.						
At period end	13,089	12,333	6%	13,089	12,333	6%
Average	12,949	12,223	6%	12,748	12,045	6%
Canada						
At period end	718	663	8%	718	663	8%
Average	710	655	8%	698	648	8%

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### *U.S.*

For the three month period ended September 26, 2014, net revenue increased 12% compared to the three month period ended September 27, 2013. Revenue growth reflected a 24% (\$152 million) increase in asset-based fee revenue primarily due to increases in advisory programs fees revenue of 28% (\$97 million) and service fees revenue of 19% (\$44 million). The growth reflects an increase in client assets under care resulting from continued investment of client dollars as well as market increases. In addition, trade revenue increased 2% (\$9 million) primarily due to an increase in client dollars invested, partially offset by a decrease in the margin earned on client dollars invested.

Operating expenses (excluding variable compensation) increased 9% in the third quarter of 2014 primarily due to increases in financial advisor compensation and salary and fringe benefits. Higher financial advisor compensation was due to increases in asset-based fee and trade revenues on which financial advisor commissions are paid. Salary and fringe benefits expense increased due to wage increases and more personnel to support increased client activity and growth of the Partnership's financial advisor network.

For the nine month period ended September 26, 2014, net revenue increased 12% compared to the nine month period ended September 27, 2013. Revenue growth reflected a 25% (\$438 million) increase in asset-based fee revenue primarily due to increases in advisory programs fees revenue of 29% (\$282 million) and service fees revenue of 19% (\$127 million). The growth reflects an increase in client assets under care resulting from continued investment of client dollars as well as market increases.

Operating expenses (excluding variable compensation) increased 8% in the first nine months of 2014 primarily due to increases in financial advisor compensation and salary and fringe benefits. Higher financial advisor compensation was due to increases in asset-based fee and trade revenues on which financial advisor commissions are paid. Salary and fringe benefits expense increased due to wage increases and more personnel to support increased client activity and growth of the Partnership's financial advisor network.

#### *Canada*

For the three month period ended September 26, 2014, net revenue increased 6% compared to the third quarter of 2013. Asset-based fee revenue increased 33% (\$5 million) reflecting an increase in client assets under care resulting from the investment of client dollars and higher market values of the underlying assets. Trade revenue decreased 4% (\$1 million) primarily due to decreases in the margin earned and the amount of client dollars invested.

Operating expenses (excluding variable compensation) increased 4% in the third quarter of 2014 compared to the third quarter of 2013. As a result, pre-variable income increased 100% (\$1 million) in the third quarter of 2014.

For the nine month period ended September 26, 2014, net revenue increased 3% compared to the nine month period ended September 27, 2013. Asset-based fee revenue increased 25% (\$11 million) reflecting an increase in client assets under care resulting from the investment of client dollars and higher market values of the underlying assets. Trade revenue decreased 6% (\$5 million) primarily due to decreases in the margin earned and the amount of client dollars invested. Operating expenses (excluding variable compensation) increased 1% in the first nine months of 2014 compared to the first nine months of 2013.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

As a result, pre-variable income improved 50% (\$3 million) in the first nine months of 2014. Improvement in Canada is due in part to the continued focus to achieve profitability. This includes several initiatives to increase revenue and control expenses. Revenue initiatives include the plan to grow the number of financial advisors, client assets under care and the depth of financial solutions provided to clients, and the roll out of additional advisory and fee-based programs.

### LEGISLATIVE AND REGULATORY REFORM

As discussed more fully in the "Legislative and Regulatory Initiatives" risk factor in Part I, Item 1A – Risk Factors of the Partnership's Annual Report and in the "Legislative and Regulatory Reform" section in Part I, Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations in the Form 10-Q for the quarters ended March 28, 2014 and June 27, 2014, the Partnership continues to monitor several regulatory initiatives and proposed, potential and enacted rules ("Regulatory Initiatives"), including the possibility of a universal fiduciary standard of care applicable to both broker-dealers and investment advisers under the Dodd-Frank Act, potential limits on fees paid by mutual funds (often called 12b-1 fees), and enacted reforms to the regulation of money market mutual funds.

The SEC adopted amendments to the rules that govern money market mutual funds on July 23, 2014. The amendments preserve stable net asset value for certain retail funds and government funds. The amendments also impose, under certain circumstances, liquidity fees and redemption gates on non-government funds. The Partnership continues to evaluate the potential impact of these amendments.

These Regulatory Initiatives may impact the manner in which the Partnership markets its products and services, manages its business and operations, and interacts with clients and regulators, any or all of which could materially impact the Partnership's results of operations, financial condition, and liquidity. However, the Partnership cannot presently predict when or if any Regulatory Initiatives will be enacted or the impact that any Regulatory Initiatives will have on the Partnership.

### MUTUAL FUNDS AND ANNUITIES

The Partnership derived 78% and 77% of its total revenue from sales and services related to mutual fund and annuity products in the three and nine month periods ended September 26, 2014, respectively, and 74% and 75% in the three and nine month periods ended September 27, 2013, respectively. In addition, the Partnership derived from one mutual fund company 19% and 20% of its total revenue for the three and nine month periods ended September 26, 2014, respectively, and 19% of its total revenue for both the three and nine month periods ended September 27, 2013, respectively. The revenue generated from this company relates to business conducted with the Partnership's U.S. segment.

Significant reductions in these revenues due to regulatory reform or other changes to the Partnership's relationship with mutual fund companies could have a material adverse effect on the Partnership's results of operations.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### **LIQUIDITY AND CAPITAL RESOURCES**

The Partnership requires liquidity to cover its operating expenses, net capital requirements, capital expenditures, debt repayment obligations, distributions to partners and redemptions of partnership interests. The principal sources for meeting the Partnership's liquidity requirements include existing liquidity and capital resources of the Partnership, discussed further below, and funds generated from operations. The Partnership believes that the liquidity provided by these sources will be sufficient to meet its capital and liquidity requirements for the next twelve months. Depending on conditions in the capital markets and other factors, the Partnership will, from time to time, consider the issuance of debt and additional partnership capital, the proceeds of which could be used to meet growth needs or for other purposes.

##### *Partnership Capital*

The Partnership's growth in capital has historically been the result of the sale of Interests to its associates and existing limited partners, the sale of subordinated limited partnership interests to its current or retiring general partners and retention of general partner earnings.

The Partnership filed a Registration Statement on Form S-8 with the SEC on January 17, 2014 to register \$350 million in securities in preparation for its 2014 Limited Partnership offering. The Partnership is in the process of offering approximately \$311 million in Interests to eligible financial advisors, branch office administrators and home office associates. Of this amount, it is expected approximately \$300 million will be accepted, with the remainder available for future issuance at the discretion of the Managing Partner and Executive Committee, which may include issuances to financial advisors who complete a retirement transition plan in future years and who may be considered for additional Interests. The 2014 Limited Partnership offering is expected to close in early 2015. The issuance of Interests will reduce the percentage of participation in net income by general partners and subordinated limited partners. Proceeds from the 2014 Limited Partnership offering are expected to be used toward working capital and general corporate purposes and to ensure there is adequate general liquidity of the Partnership for future needs.

Any issuance of new Interests will decrease the Partnership's net interest income by the 7.5% Payment for any such additional Interests, and holders of existing Interests may suffer decreased returns on their investment because the amount of the Partnership's net income they participate in may be reduced as a consequence. Accordingly, the issuance of Interests will reduce the Partnership's net interest income and profitability beginning in 2015.

The Partnership's capital subject to mandatory redemption, net of reserve for anticipated withdrawals, at September 26, 2014 was \$1,954 million, an increase of \$96 million from December 31, 2013. This increase in the Partnership's capital subject to mandatory redemption was primarily due to the retention of general partner earnings (\$62 million), additional capital contributions related to subordinated limited partner and general partner interests (\$47 million and \$92 million, respectively) and the net decrease in partnership loans outstanding (\$17 million), partially offset by the redemption of limited partner, subordinated limited partner and general partner interests (\$5 million, \$16 million and \$101 million, respectively). During the nine month periods ended September 26, 2014 and September 27, 2013, the Partnership retained 13.8% of income allocated to general partners.



## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

In June 2014 the Partnership entered into the Nineteenth Amended and Restated Agreement of Registered Limited Liability Limited Partnership (the "Partnership Agreement"). Under the terms of the Partnership Agreement, a partner's capital is required to be redeemed by the Partnership in the event of the partner's death or withdrawal from the Partnership, subject to compliance with ongoing regulatory capital requirements. In the event of a partner's death, the Partnership generally redeems the partner's capital within six months. The Partnership has restrictions in place which govern the withdrawal of capital. Under the terms of the Partnership Agreement, limited partners withdrawing from the Partnership are to be repaid their capital in three equal annual installments beginning no earlier than 90 days after their withdrawal notice is received by the Managing Partner. The capital of general partners withdrawing from the Partnership is converted to subordinated limited partnership capital or, at the discretion of the Managing Partner, redeemed by the Partnership. Subordinated limited partners are repaid their capital in six equal annual installments beginning no earlier than 90 days after their request for withdrawal of contributed capital is received by the Managing Partner. The Partnership's Managing Partner has discretion to waive or modify these withdrawal restrictions and to accelerate the return of capital. The Partnership Agreement includes additional terms.

The Partnership makes loans available to those general partners (other than members of the Executive Committee, which consists of the executive officers of the Partnership) who require financing for some or all of their partnership capital contributions. It is anticipated that a majority of future general and subordinated limited partnership capital contributions (other than for Executive Committee members) requiring financing will be financed through partnership loans. In limited circumstances a general partner may withdraw from the Partnership and become a subordinated limited partner while he or she still has an outstanding partnership loan. Loans made by the Partnership to partners are generally for a period of one year but are expected to be renewed and bear interest at the prime rate, as defined in the loan documents. The Partnership recognizes interest income for the interest received related to these loans. Partners borrowing from the Partnership will be required to repay such loans by applying the earnings received from the Partnership to such loans, net of amounts retained by the Partnership and amounts distributed for income taxes. The Partnership has full recourse against any partner that defaults on loan obligations to the Partnership. The Partnership does not anticipate that partner loans will have an adverse impact on the Partnership's short-term liquidity or capital resources.

The Partnership has not and will not provide loans to members of the Executive Committee. Executive Committee members who require financing for some or all of their partnership capital contributions will continue to borrow directly from banks willing to provide such financing on an individual basis. Other partners may also choose to have individual banking arrangements for their partnership capital contributions.

Any bank financing of capital contributions is in the form of unsecured bank loan agreements and are between the individual and the bank. The Partnership does not guarantee these bank loans, nor can the partner pledge his or her partnership interest as collateral for the bank loan. The Partnership performs certain administrative functions in connection with its limited partners who have elected to finance a portion of their partnership capital contributions through individual unsecured bank loan agreements from banks with whom the Partnership has other banking relationships. For all limited partner capital contributions financed through such bank loan agreements, each agreement instructs the Partnership to apply the proceeds from the liquidation of that individual's capital account to the repayment of their bank loan prior to any funds being released to the partner. In addition, the partner is required to apply partnership

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

earnings, net of any distributions to pay taxes, to service the interest and principal on the bank loan. Should a partner's individual bank loan not be renewed upon maturity for any reason, the Partnership could experience increased requests for capital liquidations, which could adversely impact the Partnership's liquidity. In addition, partners who finance all or a portion of their capital contributions with bank financing may be more likely to request the withdrawal of capital to meet bank financing requirements should the partners experience a period of reduced earnings. As a partnership, any withdrawals by general partners, subordinated limited partners or limited partners would reduce the Partnership's available liquidity and capital.

Many of the same banks that provide financing to limited partners also provide various forms of financing to the Partnership. To the extent these banks increase credit available to the partners, financing available to the Partnership may be reduced.

The Partnership, while not a party to any partner unsecured bank loan agreements, does facilitate making payments of allocated income to certain banks on behalf of the limited partner. The following table represents amounts related to partnership loans as well as limited partner bank loans (for which the Partnership facilitates certain administrative functions). Partners may have arranged their own bank loans to finance their partnership capital for which the Partnership does not facilitate certain administrative functions and therefore any such loans are not included in the table.

	As of September 26, 2014			
	Limited Partnership Interests	Subordinated Limited Partnership Interests	General Partnership Interests	Total Partnership Capital
<i>(\$ in millions)</i>				
Partnership capital <sup>(1)</sup> :				
Total partnership capital	\$ 635	\$ 336	\$ 1,181	\$ 2,152
Partnership capital owned by partners with individual loans	\$ 69	\$ 2	\$ 585	\$ 656
Partnership capital owned by partners with individual loans as a percent of total partnership capital	10.9%	0.6%	49.5%	30.5%
Partner loans	\$ 13	\$ 2	\$ 196	\$ 211
Partner loans as a percent of total partnership capital	2.0%	0.6%	16.6%	9.8%
Partner loans as a percent of partnership capital owned by partners with loans	18.8%	100.0%	33.5%	32.2%

<sup>(1)</sup> Partnership capital, as defined for this table, is before the reduction of partnership loans and is net of reserve for anticipated withdrawals.

Historically, neither the amount of partnership capital financed with individual loans as indicated in the table above, nor the amount of partner capital withdrawal requests has had a significant impact on the Partnership's liquidity or capital resources.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### *Lines of Credit and Debt*

The following table shows the composition of the Partnership's aggregate bank lines of credit in place as of:

<i>(\$ millions)</i>	<b>September 26, 2014</b>	<b>December 31, 2013</b>
2013 Credit Facility	\$ 400	\$ 400
Uncommitted secured credit facilities	365	415
Total bank lines of credit	<u>\$ 765</u>	<u>\$ 815</u>

In November 2013, the Partnership entered into the 2013 Credit Facility, which has an expiration date of November 15, 2018 and replaced a similar credit facility. The 2013 Credit Facility is intended to provide short-term liquidity to the Partnership should the need arise. In addition, the Partnership has uncommitted lines of credit that are subject to change at the discretion of the banks. Based on credit market conditions and the uncommitted nature of these credit facilities, it is possible that these lines of credit could decrease or not be available in the future. Actual borrowing availability on the uncommitted secured lines is based on client margin securities and partnership securities, which would serve as collateral on loans in the event the Partnership borrowed against these lines.

There were no amounts outstanding on the 2013 Credit Facility and the uncommitted lines of credit as of September 26, 2014 and December 31, 2013. In addition, the Partnership did not have any draws against these lines of credit during the nine and twelve month periods ended September 26, 2014 and December 31, 2013, respectively, except for one nominal advance made on both the committed facility and the uncommitted facility for the purpose of testing draw procedures.

The Partnership was in compliance with all covenants related to its outstanding debt agreements as of September 26, 2014. For details on covenants related to lines of credit, see the discussion in Note 3 to the Consolidated Financial Statements.

In June 2014, the Partnership paid the final scheduled installment on the liabilities subordinated to claims of general creditors of \$50 million.

#### *Cash Activity*

As of September 26, 2014, the Partnership had \$643 million in cash and cash equivalents and \$810 million in securities purchased under agreements to resell, which have maturities of less than one week. This totals \$1,453 million of Partnership liquidity as of September 26, 2014, an 11% (\$173 million) decrease from \$1,626 million at December 31, 2013. This decrease is primarily due to timing of client cash activity and the resulting requirement for segregation. The Partnership had \$8,123 million and \$8,435 million in cash and investments segregated under federal regulations as of September 26, 2014 and December 31, 2013, respectively, which was not available for general use.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### *Regulatory Requirements*

As a result of its activities as a U.S. broker-dealer, Edward Jones is subject to the net capital provisions of Rule 15c3-1 of the Exchange Act and capital compliance rules of the FINRA Rule 4110. Under the alternative method permitted by the rules, Edward Jones must maintain minimum net capital, as defined, equal to the greater of \$0.25 million or 2% of aggregate debit items arising from client transactions. The net capital rules also provide that Edward Jones' partnership capital may not be withdrawn if the resulting net capital would be less than minimum requirements. Additionally, certain withdrawals require the approval of the SEC and FINRA to the extent they exceed defined levels, even though such withdrawals would not cause net capital to be less than minimum requirements.

The Partnership's Canada broker-dealer is a registered securities dealer regulated by IIROC. Under the regulations prescribed by IIROC, the Partnership is required to maintain minimum levels of risk adjusted capital, which are dependent on the nature of the Partnership's assets and operations.

The following table shows the Partnership's net capital figures for its U.S. and Canada broker-dealers as of (\$ in millions):

	<b>September 26, 2014</b>	<b>December 31, 2013</b>	<b>% Change</b>
<b>U.S.:</b>			
Net capital	\$ 958	\$ 873	10%
Net capital in excess of the minimum required	\$ 909	\$ 830	10%
Net capital as a percentage of aggregate debit items	39.1%	41.4%	-6%
Net capital after anticipated capital withdrawals, as a percentage of aggregate debit items	27.5%	24.8%	11%
<b>Canada:</b>			
Regulatory risk adjusted capital	\$ 27	\$ 34	-21%
Regulatory risk adjusted capital in excess of the minimum required to be held by IIROC	\$ 20	\$ 27	-26%

Net capital and the related capital percentages may fluctuate on a daily basis. In addition, EJTC was in compliance with its regulatory capital requirements.

The Partnership and its subsidiaries are subject to examination by the Internal Revenue Service ("IRS") and by various state and foreign taxing authorities in the jurisdictions in which the Partnership and its subsidiaries conduct business. In 2012, the IRS began an examination of Edward Jones' income tax returns for the years ended 2009 and 2010. This examination is ongoing and is not expected to have a material impact to the Partnership.

#### **OFF BALANCE SHEET ARRANGEMENTS**

The Partnership does not have any significant off-balance-sheet arrangements.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### CRITICAL ACCOUNTING POLICIES

The Partnership's financial statements are prepared in accordance with GAAP, which may require judgment and involve estimation processes to determine its assets, liabilities, revenues and expenses which affect its results of operations.

The Partnership believes that of its significant accounting policies, the following critical policies require estimates that involve a higher degree of judgment and complexity.

*Asset-Based Fees.* Due to the timing of receipt of information, the Partnership must use estimates in recording the accruals related to certain asset-based fees. These accruals are based on historical trends and are adjusted to reflect market conditions for the period covered. Additional adjustments, if needed, are recorded in subsequent periods.

*Legal Reserves.* The Partnership provides for potential losses that may arise out of litigation, regulatory proceedings and other contingencies to the extent that such losses can be estimated, in accordance with ASC No. 450, *Contingencies*. See Note 6 to the Consolidated Financial Statements and Part II, Item 1 – Legal Proceedings for further discussion of these items. The Partnership regularly monitors its exposures for potential losses. The Partnership's total liability with respect to litigation and regulatory proceedings represents the best estimate of probable losses after considering, among other factors, the progress of each case, the Partnership's experience and discussions with legal counsel.

Included in Note 1 of the Partnership's Annual Report is additional discussion of the Partnership's accounting policies.

#### THE EFFECTS OF INFLATION

The Partnership's net assets are primarily monetary, consisting of cash and cash equivalents, cash and investments segregated under federal regulations, securities owned and receivables, less liabilities. Monetary net assets are primarily liquid in nature and would not be significantly affected by inflation. Inflation and future expectations of inflation influence securities prices, as well as activity levels in the securities markets. As a result, profitability and capital may be impacted by inflation and inflationary expectations. Additionally, inflation's impact on the Partnership's operating expenses may affect profitability to the extent that additional costs are not recoverable through increased prices of services offered by the Partnership.

#### RECENTLY ISSUED ACCOUNTING STANDARDS

In May 2014, the FASB and the International Accounting Standards Board ("IASB") jointly issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance. The objective of ASU 2014-09 is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 will be effective for the first quarter of 2017. An entity can elect to adopt ASU 2014-09 using one of two methods, either full retrospective adoption to each prior reporting period, or recognize the cumulative effect of adoption at the date of initial application. The Partnership is in the process of evaluating the new standard and does not know the effect, if any, ASU 2014-09 will have on the Consolidated Financial Statements or which adoption method will be used.

## PART I. FINANCIAL INFORMATION

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, continued

#### **FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q, and in particular Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements within the meaning of the federal securities laws. You can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "project," "will," "should," and other expressions which predict or indicate future events and trends and which do not relate to historical matters. You should not rely on forward-looking statements, because they involve known and unknown risks, uncertainties and other factors, some of which are beyond the control of the Partnership. These risks, uncertainties and other factors may cause the actual results, performance or achievements of the Partnership to be materially different from the anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

Some of the factors that might cause differences between forward-looking statements and actual events include, but are not limited to, the following: (1) general economic conditions; (2) regulatory actions; (3) changes in legislation or regulation, including new regulations under the Dodd-Frank Act; (4) actions of competitors; (5) litigation; (6) the ability of clients, other broker-dealers, banks, depositories and clearing organizations to fulfill contractual obligations; (7) changes in interest rates; (8) changes in technology; (9) a fluctuation in the fair value of securities; and (10) the risks discussed under the caption "Risk Factors" in the Partnership's Annual Report and subsequent Quarterly Reports on Form 10-Q. These forward-looking statements were based on information, plans, and estimates at the date of this report, and the Partnership does not undertake to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

## PART I. FINANCIAL INFORMATION

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Various levels of management within the Partnership manage the Partnership's risk exposure. Position limits in trading and inventory accounts are established and monitored on an ongoing basis. Credit risk related to various financing activities is reduced by the industry practice of obtaining and maintaining collateral. The Partnership monitors its exposure to counterparty risk through the use of credit exposure information, the monitoring of collateral values and the establishment of credit limits. For further discussion of monitoring, see the Risk Management discussion in Item 10 – Directors, Executive Officers and Corporate Governance of the Partnership's Annual Report.

The Partnership is exposed to market risk from changes in interest rates. Such changes in interest rates impact the income from interest earning assets, primarily receivables from clients on margin balances and short-term investments, which averaged \$2.3 billion and \$9.3 billion, respectively, for the nine month period ended September 26, 2014. The changes in interest rates may also have an impact on the expense related to liabilities that finance these assets, such as amounts payable to clients and other interest and non-interest bearing liabilities.

The Partnership performed an analysis of its financial instruments and assessed the related interest rate risk and materiality in accordance with the SEC rules. Under current market conditions and based on current levels of interest earning assets and the liabilities that finance these assets, the Partnership estimates that a 100 basis point (1.00%) increase in short-term interest rates could increase its annual net interest income by approximately \$81 million. Conversely, the Partnership estimates that a 100 basis point (1.00%) decrease in short-term interest rates could decrease the Partnership's annual net interest income by approximately \$16 million. A decrease in short-term interest rates currently has a less significant impact on net interest income due to the low interest rate environment. The Partnership has two distinct types of interest bearing assets: client receivables from margin accounts and short-term, primarily overnight, investments, which are primarily comprised of cash and investments segregated under federal regulations and securities purchased under agreements to resell. These investments have earned interest at an average rate of approximately 16 basis points (0.16%) in the first nine months of 2014, and therefore the financial dollar impact of further decline in rates is minimal. The Partnership has put in place an interest rate floor for the interest charged related to its client margin loans, which helps to limit the negative impact of declining interest rates.

In addition to the interest earning assets and liabilities noted above, the Partnership's revenue earned related to its minority ownership interest in the adviser to the Edward Jones money market funds is also impacted by changes in interest rates. As a 49.5% limited partner of Passport Research Ltd., the investment adviser to two of the money market funds made available to Edward Jones clients, the Partnership receives a portion of the income of the investment adviser. Due to the current historically low interest rate environment, the investment adviser voluntarily chose (beginning in March 2009) to reduce certain fees charged to the funds to a level that will maintain a positive client yield on the funds. This reduction of fees reduced the Partnership's cash solutions revenue by \$76 million and \$73 million for the nine month periods ended September 26, 2014 and September 27, 2013, respectively, or approximately \$100 million annually, and is expected to continue at that level in future periods, based upon the current interest rate environment. Alternatively, if the interest rate environment improved such that this reduction in fees was no longer necessary to maintain a positive client yield, the Partnership's revenue could increase annually by that same level.

## PART I. FINANCIAL INFORMATION

### ITEM 4. CONTROLS AND PROCEDURES

The Partnership maintains a system of disclosure controls and procedures which are designed to ensure that information required to be disclosed by the Partnership in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management, including the Partnership's certifying officers, as appropriate to allow timely decisions regarding required disclosure.

Based upon an evaluation performed as of the end of the period covered by this report, the Partnership's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have concluded that the Partnership's disclosure controls and procedures were effective as of September 26, 2014.

There have been no changes in the Partnership's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Partnership's internal control over financial reporting.



## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

The following information supplements the discussion in Part I, Item 3 “Legal Proceedings” in the Partnership’s Annual Report and Part II, Item 1 “Legal Proceedings” in the Partnership’s Quarterly Report on Form 10-Q for the periods ended March 28, 2014 and June 27, 2014:

*Countrywide*. There have been five cases filed against Edward Jones (in addition to numerous other issuers and underwriters) asserting claims under the U.S. Securities Act of 1933 (the “Securities Act”) in connection with registration statements and prospectus supplements issued for certain mortgage-backed certificates issued between 2005 and 2007. Three cases were purported class actions (*David H. Luther, et al. v. Countrywide Financial Corporation, et al. filed in 2007*; *Maine State Retirement System, et al. v. Countrywide Financial Corporation, et al. filed in 2010*; and *Western Conference of Teamsters Pension Trust Fund v. Countrywide Financial Corporation, et al. filed in 2010*). All three cases, however, have been settled, and on December 6, 2013, the court granted plaintiffs’ motion for final approval of the settlement. The settlement that was approved by the court (1) establishes a fund to be paid exclusively by Countrywide, (2) contains a complete release for all defendants in all three cases, including Edward Jones, (3) contains proposals for the administration of the settlement fund, and (4) provides for the dismissal of all three cases once the Court enters the final approval of the settlement and enters a final judgment. Because Edward Jones was being indemnified and defended in all three cases, Edward Jones will not be paying and is not required to pay any money into the settlement fund. On December 17, 2013, the Court entered the final judgment and dismissal for all three cases. On January 14, 2014, some objectors to the class action settlement filed their Notice of Appeal of the Court’s final judgment and dismissal. The appeal will be heard by the Ninth Circuit Court of Appeals, but no briefing schedule has been entered.

On August 10, 2012, the Federal Deposit Insurance Corporation (“FDIC”), in its capacity as receiver for Colonial Bank, filed a separate lawsuit (*FDIC v. Countrywide Securities Corporation, Inc., et al.*) in the U.S. District Court for the Central District of California against numerous issuers and underwriters including Edward Jones. However, plaintiff does not allege that it purchased any tranche of any offering for which Edward Jones acted as dealer. Following defendant’s motion to dismiss, plaintiff filed its first amended complaint on November 6, 2012. On April 8, 2013, the Court dismissed *FDIC v. Countrywide* based on statute of limitations grounds. The FDIC filed its notice of appeal of the Court’s dismissal on October 3, 2013. The appeal has been stayed until November 28, 2014.

On December 12, 2013, a case was filed in the Superior Court of the State of California, County of Los Angeles, Northwest District styled *Triaxx Prime CDO 2006-1 LTD et al. v. Banc of America Securities, LLC et al.* The case involved allegations regarding the sale of Countrywide Private Label Mortgage Backed Securities. The complaint alleged that Edward Jones was the underwriter for two tranches of securities sold to the plaintiffs. Edward Jones denied that it was the underwriter for said tranches. The plaintiffs sought damages in an amount that was to be determined at trial and the consideration paid for the tranches at issue, less any income received on the tranches. The defendants removed the case to federal court on January 10, 2014. A settlement was reached between the parties, and the case was dismissed with prejudice, by court order on October 1, 2014. The settlement is not expected to have a material adverse impact on the Partnership’s consolidated financial condition.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings, continued

*Nicholas Maxwell, individually and on behalf of all others similarly situated.* On December 18, 2012, Edward Jones was named as a defendant in a putative class action complaint in Alameda Superior Court. The complaint asserted causes of action for unlawful wage deductions (Labor Code sections 221, 223, 400-410, 2800, 2802, Cal. Code Reg. title 8, section 11040(8)); California Unfair Competition Law violations (Business and Professions Code sections 17200-04); and waiting time penalties (Labor Code sections 201-203). Plaintiff alleged that Edward Jones improperly charged its California financial advisors fees, costs, and expenses related to trading errors or “broken” trades, and failed to timely pay wages at termination. The parties reached a settlement that does not have an adverse material impact on the Partnership’s consolidated financial condition. The Court granted final approval of the settlement on September 22, 2014. A final compliance hearing is set for January 8, 2015.

*Yavapai County Litigation.* In September, 2009, three lawsuits were filed in the State of Arizona; all three lawsuits were consolidated before the U.S. District Court for the District of Arizona. The actions related to bonds underwritten by Edward Jones and other brokerage firms for the purpose of financing construction of an event center in Prescott Valley, Arizona. Edward Jones sold approximately \$2.9 million of the bonds. The plaintiffs alleged the underwriters, including Edward Jones, made material misrepresentations and omissions in the preliminary official statement and/or in the official statement. Plaintiffs sought an unspecified amount of damages including attorneys’ fees, costs, expenses, rescission or statutory damages, out-of-pocket damages and prejudgment interest. The District Court entered an order in November, 2010 dismissing several of the claims against Edward Jones. The District Court then entered an order on September 13, 2013, granting in part and denying in part various motions for summary judgment filed by Edward Jones. The case was settled in September, 2014, which resolved all actions then pending in the Federal and state courts. Edward Jones’ payment under the settlement agreement did not have a material adverse impact on the Partnership’s consolidated financial condition.

## PART II. OTHER INFORMATION

### ITEM 1A. RISK FACTORS

For information regarding risk factors affecting the Partnership, please see the language regarding forward-looking statements in Item 2 of Part I of this Report on Form 10-Q and the discussion in Part I – Item 1A of the Partnership's Annual Report.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the quarter ended September 26, 2014, the Partnership made the following issuance of its subordinated limited partnership interests ("SLP Interests"), which are fully described in the Partnership Agreement. The SLP Interests were issued in exchange for withdrawing general partner interests.

Date of Sale	Security	Amount of Security Sold	Aggregate Offering Price	Aggregate Underwriting Discounts or Commissions	Exemption from Registration
7/1/2014	SLP Interests	\$1,425,000	\$1,425,000	\$0	Regulation D of The Securities Act of 1933, Rule 506; as general partners of the Partnership, all purchasers were Accredited Investors. The required information was provided to all purchasers, no general solicitations or advertisements were used, and reasonable care was exercised to assure that all purchasers were not underwriters.

## PART II. OTHER INFORMATION

### ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
3.1	Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.L.P., dated July 17, 2014.
3.2	First Amendment of Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.L.P., dated August 21, 2014.
3.3	Second Amendment of Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.L.P., dated September 22, 2014.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15(d)-14(a) of the Securities Act of 1934, as amended, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15(d)-14(a) of the Securities Act of 1934, as amended, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation
101.DEF	XBRL Extension Definition
101.LAB	XBRL Taxonomy Extension Label
101.PRE	XBRL Taxonomy Extension Presentation

PART II. OTHER INFORMATION

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE JONES FINANCIAL COMPANIES, L.L.L.P.

By: /s/ James D. Weddle  
James D. Weddle  
Managing Partner (Principal Executive Officer)  
November 7, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the dates indicated:

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ James D. Weddle</u> James D. Weddle	Managing Partner (Principal Executive Officer)	November 7, 2014
<u>/s/ Kevin D. Bastien</u> Kevin D. Bastien	Chief Financial Officer (Principal Financial and Accounting Officer)	November 7, 2014

NINETEENTH RESTATED  
CERTIFICATE OF LIMITED PARTNERSHIP  
OF  
THE JONES FINANCIAL COMPANIES, L.L.L.P.

The undersigned, for the purpose of restating its Certificate of Limited Partnership under the Missouri Uniform Limited Partnership law, states the following:

- (1) The name of the limited partnership is The Jones Financial Companies, L.L.L.P. and the limited partnership's charter number is LP0000443.
- (2) The name and address of the limited partnership's Missouri registered agent is:  
  
James A. Tricarico, Jr.  
12555 Manchester Road  
St. Louis, MO 63131
- (3) The names and mailing addresses of the general partners are set forth on Exhibit A attached hereto.
- (4) The latest date upon which the limited partnership is to be dissolved is December 31, 2199.

In affirmation thereof, the facts stated above are true.

Dated: July 17, 2014

THE JONES FINANCIAL COMPANIES, L.L.L.P.

By /s/ James D. Weddle  
James D. Weddle  
Managing Partner/Authorized Person/Attorney-in-Fact

## EXHIBIT A

Name	Address	City, State, Zip
1994 Inglett Family Trust	12076 E Poinsettia Drive	Scottsdale, AZ 85259
Acton, Orville Roy	601 Brimacombe Drive	Weyburn, SK S4H 2P3
Adams, Rodney	507 Hefteman Drive	Edmonton, AB T6R 2K5
Ahrens, Concetta Angela	12880 Whitehorse Lane	St Louis, MO 63131
Alex Ghobad Heidari Revocable Living Trust	12 Purple Martin Court	St Paul, MO 63366
Altergott, Mary Ann	11 Clermont Ln	St Louis, MO 63124
Andersen, Kyle Christian	Unit 11110, 232 N Kingshighway Blvd	St Louis, MO 63108
Anderson, Steven Thomas	86 Homefield Square Ct	O'Fallon, MO 63366
Anthony A. McBride Revocable Trust	1515 Missouri Ave	St Louis, MO 63104
Anthony Damico Revocable Trust	735 Hesemann Ridge Ct	Ballwin, MO 63021
Anthony J. Sgroi Revocable Trust	1501 Homestead Summit Dr	Wildwood, MO 63005
Anwar, Nashneed	1146 Noonng Tree Drive	Chesterfield, MO 63017
Arnore, Scott William	3313 Michael Dr	Clarkston, WA 99403
ARTHUR VICTOR RUSSELL REVOCABLE TRUST	410 Duckett Place	Saint Charles, MO 63303
Asoera, Hans Oshorenoyai	8 Giles Dr	Essex Jct, VT 05452
Azinian, Abbas-Arthur	1292 Kane Road	Mississauga, ON L5H 2M3
Barrows, Joseph L.	1155 N High Street	Lancaster, OH 43130
Bartek, Andrew Edward	10 Alivston Ct	O'Fallon, MO 63366
Bartholomew, David Malcolm	10 Black Creek Lane	St Louis, MO 63124
Basler, Craig Joseph	1031 Bristol Manor Drive	Ballwin, MO 63011
Battermann, Julie G.	14267 209Th Ave Ne	Woodinville, WA 98077
Bayston, Brett Gerald	2009 W 250 North	Lebanon, IN 46052
Bee, Stephen Todd	4048 Rolling Stone Ln	Pacific, MO 63069
Beeman, Darcy Jo	2811 Nw 12Th Ave	Wilton Manors, FL 33311
Beishe, Roger	1206 S Oxfordshire	Edwardsville, IL 62025
Bennett, Doug	1203 Appleford Lane	Burlington, ON L7P 3M1
Bennett, Steven K.	18332 Ne 101St Ct	Redmond, WA 98052
Bertis, Kevin Thomas	326 Canyon Highlands Drive	Oroville, CA 95966

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.P.

## EXHIBIT A

Biedar, Bruce Wayne	700 N Orleans Street	Chicago, IL 60610
Birch, Kevin Edward	172 Boxley Road	Burlington, ON L7L 4S6
Blackley, Edgar Leonard	3513 Harry Davis Road	Bullock, NC 27507
Blanchard, Kenneth	2443 E Eleana Lane	Gilbert, AZ 85298
Blough, Brian David	3586 Marys View Lane	Dacula, GA 30019
Blum, Christopher Todd	45 Brook Mill Ln	Chesterfield, MO 63017
Boedges, Christopher Joseph	1013 Castleview Ct	Cottleville, MO 63304
Boehne, Melanie Lynn	136 Inglenook Court	St Charles, MO 63304
Bolton, Wayne John	2540 Sunnymhurst	Oakville, ON L6H 7K5
Bonkowski, David Barrow	499 N Franklin Street Suite B	Frankenmuth, MI 48734
Bosch, Daniel Joseph	1524 Clover Ridge	Columbia, IL 62236
Boyd, David Jay	718 Grandview	Northville, MI 48167
Boyd, John Eric	14085 Broill Drive	Reno, NV 89511
Braceland, Timothy	31 Piety Corner Road	Waltham, MA 02451
Bradley A. Ytterberg Revocable Trust	622 Forest Court, Apt 3D	Clayton, MO 63105
Bradley L. Frick Revocable Living Trust	449 Sherwood	Webster Groves, MO 63119
Bradshaw, Randolph Lee	827 Millfield Ct	Town & Country, MO 63017
Bret D. Kimes Revocable Trust	265 Blackmer Place	St Louis, MO 63119
Brian D. Ashworth Revocable Trust	18612 Babler Meadows Dr	Wildwood, MO 63038
Brian D. Buckley Revocable Trust	16344 Wynncrest Falls Way	Wildwood, MO 63005
Bryan Eugene Hargiss Revocable Living Trust	220 Bluff View Circle	St Louis, MO 63129
Buffington, Sarah Renae	17142 Hidden Valley Forest Drive	Wildwood, MO 63025
Bumgardner, Michael S	187 Sandalwood Drive	Huntington, WV 25705
Burwell, Donald James	1052 Old Oak Drive	Oakville, ON L6M 3K5
Callahan, John Sylvester	12579 Falling Leaves Court	Saint Louis, MO 63141
Carroll, Douglas L	17632 Westhampton Woods Dr	Wildwood, MO 63005
Carter, Patricia McCarty	6108 Lost Valley Road	Raleigh, NC 27612
Cestia III, John Burton Enoch	424 East Main Street	New Iberia, LA 70560
Charles E. Cloud & Christy H. Cloud Family Living Trust	431 Sanders Bluff Road	Humboldt, TN 38343

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.L.P.



## EXHIBIT A

Charles Nelson Rogers Revocable Living Trust	2150 Englewood Terr Ct	Chesterfield, MO 63017
Charlton, Annette Lynn	3212 Post Walk Court	O'Fallon, MO 63366
Cheryl A. Mothes Revocable Trust	P O Box 965	Cape Girardeau, MO 63702
Childress, Randall Victor	1377 Dominion Plaza	Tyler, TX 75703
Christensen, Tony R	2354 Montana Ave	Humboldt, IA 50548
Christopher N. Lewis Revocable Living Trust	460 Lee Ave	Webster Groves, MO 63119
Ciapiak, Robert James	4 Saint Andrews Drive	Saint Louis, MO 63124
Cobb, Marc Lin	1318 Winterberry Drive	Reidsville, NC 27320
Collins, Matthew Daniel	12727 Wynfield Pines Ct	Des Peres, MO 63131
Connella, Eric William	27081 Green Hills Lane	Laguna Hills, CA 92653
Cook, Beth Ann	2306 Coventry Glen Court	Chesterfield, MO 63017
Cotton, Roger Matthew	19612 Creek Round Avenue	Baton Rouge, LA 70817
Covey, Duane James	8794 Paisley Dr Ne	Seattle, WA 98115
Crump, Kyle Ray	15051 N 73Rd Dr	Peoria, AZ 85381
Culleton, Patrick John	1914 Grassy Ridge Rd	Kirkwood, MO 63122
Cynthia A. Doria Revocable Living Trust	2 Hill Dr	Glendale, MO 63122
Damiano, Michael Angelo	1 Willow Court	Selinsgrove, PA 17870
Dan J. Timm Revocable Trust	Po Box 139	St Albans, MO 63073
Danae Domian Revocable Trust	1146 Lockett Road	Des Peres, MO 63131
Daniel Middleton and Carol Wechsler Living Trust	700 Chamblee Lane	St Louis, MO 63141
David A. Mayo and Diane M. Mayo Revocable Living Trust	4215 Austin Ridge Dr	Weldon Spring, MO 63304
DAVID FRANCIS POWERS REVOCABLE TRUST	2377 Spring Mill Woods	Saint Charles, MO 63303
David G. Otto Trust	705 Henry Ave	Balwin, MO 63011
David II, Charles Michael	1407 Lincoln Ave	Evansville, IN 47714
DAVID L. LANE REVOCABLE TRUST	1103-111 Forsythe Street	Oakville, ON L6K 3J9
Decker, Gary Don	Po Box 650	Stamford, TX 79553
Declaration of Trust of Mark A. Eberlin	Po Box 214	Hardin, IL 62047
Dexter, Michael Paul	3627 St Andrews Ct	Crown Point, IN 46307
Dille, John Perrault	891 Durrow Dr	St Louis, MO 63141

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.P.

## EXHIBIT A

Doerring, Bret Allen	915 South 5Th Avenue West	Newton, IA 50208
Dolan, Lisa Marie	13 Brazilian Ct	St Louis, MO 63124
Donald Joseph Bergen, Jr. Revocable Living Trust	946 Victoria Ave	Glendale, MO 63122
Donaldson, Brian D	6927 Waterman Ave	University City, MO 63130
Doran, Matthew Scott	16404 Prestwick Place Ln	Ballwin, MO 63011
DOUGLAS LEE ROSEN REVOCABLE TRUST	13 Ridgecreek Rd	Town And Country, MO 63141
Dr. F. Katharine Warne Revocable Trust	801 S Skinker Blvd Apt 14B	Saint Louis, MO 63105
Draxler, Neil Robert	2458 Lexington St	Lafayette, CO 80026
Dugan Jr, William Wheldon	501 N Via Firenze Ct	Arroyo Grande, CA 93420
Dutton, Jonathan Donald	322 South Woodlawn Ave	Kirkwood, MO 63122
DuWayne E. Reichart Trust	14 Williamsburg Road	Sherman, IL 62684
EDWARD J. HOLT REVOCABLE TRUST	1722 Carman Ridge Ct	Manchester, MO 63021
Egan Jr, Thomas Michael	22 Kings Pointe	Belleville, IL 62223
Elaine R. Renner Revocable Living Trust	8402 Braeswood Estates Drive	O'Fallon, IL 62269
Ellis, John Lawrence	1544 Westfield Circle	O'Fallon, MO 63368
Elser II, John David	17616 Gardenview Manor Circle	Wildwood, MO 63038
Embleton, Matthew Roy	1036 Camargo Dr	Ballwin, MO 63011
Espy, Jason C	12726 Wyrnfield Pines Ct	Des Peres, MO 63131
Ewing, James David	1011 Oakdale Road Ne	Atlanta, GA 30307
Fernandez, Joan Christie	540 Trevi Lane	Ellisville, MO 63011
Finn, Timothy Vincent	16309 Idlewood Ct	Chesterfield, MO 63005
Flynn, Timothy Joseph	9379 Caddysnack Circle	St Louis, MO 63127
Foltz Gay, Jodi Lynn	559 South Clay	Kirkwood, MO 63122
Ford Jr, James Allan	3 Stonestrow Dr	Laurel, MS 39440
French Sr, Kenneth Joseph	212 Edgewater	Victoria, TX 77904
Garrett, Ryan D.	1099 Ashton Hall Road	South Boston, VA 24592
Giardino, Richard L.	9670 109Th Ave	Ottumwa, IA 52501
Glynn, Tyler D.	813 Craig Forest Ln	Kirkwood, MO 63122
Goeagan, Dino Joseph	5641 S Wilson Dr	Chandler, AZ 85249

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.L.P.

## EXHIBIT A

Graves, Mary Mullis	728 Wood Valley Trail	St Charles, MO 63304
Grbac, Kimberly Jean	9262 Rott Road	St Louis, MO 63127
Green, Curtis Randall	681 10 Santelmo	Cathedral City, CA 92234
Greenwald, Ellis William	105 Shannon Dr	Andalusia, AL 36420
Gregory B. Dosmann Trust	1 3368 Pointe Conway Dr	Town and County, MO 63141
Gregory, Wesley W.	2357 Sterling Pointe Drive	Chesterfield, MO 63005
Guebert, Jeffery Alan	311 Ditch's Run	Waterloo, IL 62298
Gunn, David Alexander	16049 Wilson Manor Drive	Chesterfield, MO 63005
Haiim, Vanessa Uzoamaka	12772 Corum Way Dr	Creve Coeur, MO 63141
Hammer, Douglas Earl	5020 Cedar Crest Avenue	Independence, MO 64055
Hansen, Dorian Ronayne	232 N Kingshighway Blvd Apt 2101	Saint Louis, MO 63108
Hanson, Rhonda Lynn	160 Ln 650Bc Snow Lake	Fremont, IN 46737
Hardt, Christopher R.	2586 Oakshore Drive	Westlake Village, CA 91361
Hardy, Jeffrey R.	2902 38Th St Se	Puyallup, WA 98374
Hartman, Mark Ronald	221 Pryde Blvd.	Exeter, ON N0M 1S1
Hatrel, Byron John	9724 Dart Street	River Ridge, LA 70123
Hayman, Craig	151 Aintree Terrace	Oakville, ON L6J 5J4
Heisler, Robert Eugene	4738 Farm Creek Lane	Sylvania, OH 43560
Helbert, Clifton Lee	12725 Zachary's Ridge	Sunset Hills, MO 63127
Henty, James Francis	140 Oneida River Road	Pennellville, NY 13132
Hickok, Jeffrey Kyle	10 Huntleigh Trails Lane	St Louis, MO 63131
Hoffman, Kim Bisette	2809 Deerfield Lane	Wilson, NC 27896
Holder 2003 Revocable Living Trust	2244 Nightingale Drive	Santa Rosa, CA 95403
Homtra, William Allen	2006 Henne Rd	Stuttgart, AR 72160
Hoover Jr, Charles Russell	1 115 Alexander Pl Ne	Bainbridge Island, WA 98110
Hope III, Ruben Wert	7210 Foster Island Dr	Richmond, TX 77406
Hosey, Thomas Randal	702 Starlight Pass	Heath, TX 75032
Hrevus, Tina Marie	2410 Smizer Mill Est Dr	Fenton, MO 63026
Hunter, Kent Bogan	2800 S 87Th Dr	Fort Smith, AR 72903

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.L.P.

## EXHIBIT A

Hylander, Kevin Michael	128 Wisteria Place	Taunton, MA 02780
Isaacson, Charles Shannon	29061 St Highway Uu	Callao, MO 63534
Isou, Stephen James	1366 Sedgewick Crescent	Oakville, ON L6L 1X8
Iversen, Brad Christopher	13005 Wheatfield Farm Rd	Saint Louis, MO 63141
James A. Krekeler Revocable Trust	18 Thorndel Drive	St Louis, MO 63117
James D. Weddle Revocable Living Trust	1 Forest Ridge	Clayton, MO 63105
James Edward Markland Revocable Living Trust	13 Timberwood	Maryville, IL 62062
Jansen, James David	984 Sheffield Forest Court	Wildwood, MO 63021
Jeffrey C. Davis Revocable Trust	3309 Quail Ridge Road	Kinston, NC 28504
Jeffrey J. Panchot Revocable Living Trust	1624 Ashford Oaks Court	Wildwood, MO 63038
Jezak-Webb, Kim Kana	12449 N 91st Way	Scottsdale, AZ 85260
John Beuerlein Revocable Living Trust	Unit I, 139 North Central	Clayton, MO 63105
John M. Keeley Trust	2420 Fawn Lake Circle	Naperville, IL 60564
Johnson, Anthony Wayne	1078 Harbour Island Road	Orlando, FL 32809
Johnson, David James	1719 Heritage Lake Dr	Centerville, OH 45458
Johnson, Everett J	17701 Sugarberry Ct	Chesterfield, MO 63005
Johnson, Marcus Eddy	8312 Pinecastle Dr	West Jordan, UT 84081
KATHERINE G. MAUZY REVOCABLE TRUST	2409 N Ballas Road	St. Louis, MO 63131
Kathleen Askren Revocable Living Trust	2405 Hollyhead Dr	Des Peres, MO 63131
Kelly, Timothy M	923 Claymark Drive	Town And Country, MO 63131
Kenneth James Muenz Trust	2111 Leverenz	Naperville, IL 60564
Kenneth R. Cella, Jr., Revocable Trust	P O Box 536	St Albans, MO 63073
Kersey, Carmack Douglas	419 S Maple St	Winchester, KY 40391
Kersting, Thomas Christopher	105 Heritage Station	Saint Charles, MO 63303
Kevin C. Haaberg Revocable Trust	937 Fairview Drive	Woodland, CA 95695
Kevin D. Bastien Revocable Trust	1555 Stoll Court	Columbia, IL 62236
Kevin R. Alm Revocable Living Trust	223 Appaloosa Dr	Chesterfield, MO 63005
Kimberly Sue Gannon Revocable Living Trust	2049 Avalon Ridge Circle	Fenton, MO 63026
Kindsvater, Alan Dennis	17669 Lasandra Dr	Chesterfield, MO 63005

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.L.P.

## EXHIBIT A

King, Kenneth Glen	9461 Bonhomme Woods Dr	Olivette, MO 63132
King, Michael William	19163 6565 Road	Montrose, CO 81401
Kirk William Evans Revocable Living Trust	Unit 244, 8300 E Dixielita Dr	Scottsdale, AZ 85266
Klassen, Lisa Marie	4331 S Newport St	Chandler, AZ 85249
Klein, Christian Guy	5089 Canary Ln	Nampa, ID 83687
Kloocke, Joseph Lawrence	113 Cloverleaf Meadows Ct	O'Fallon, MO 63366
Koestner, Eric Brian	124 Helfenstein Ave	Webster Groves, MO 63119
Koinis, James R.	3439 Melissa Court	Charlotte Harbor, FL 33980
Kristin M. Johnson Revocable Trust	4120 Aberdeen Pl	Swansea, IL 62226
Kuehl, Steven John	14021 Monttrachet Lane	Town And Country, MO 63017
Kunkle, Steven Glenn	9840 SW Iowa Drive	Tualatin, OR 97062
Lamis, Eugene P.	4625 Cardona Court	Fort Worth, TX 76126
Lane, Jeffrey J.	5552 S Stafford Lane	Sierra Vista, AZ 85650
Lanigan, Neal J	7432 E Ann Way	Scottsdale, AZ 85260
Large, Daniel D	5253 Golf Course Dr	Morrison, CO 80465
Laura B. Ellenhorn Revocable Trust No. 1	6614 Clayton Rd # 182	Richmond Heights, MO 63117
Lawrence C. Thomas Revocable Living Trust	11204 Tri Lane Dr	Creve Coeur, MO 63141-7648
Lawrence, Scott	15419 Ironhorse Circle	Leawood, KS 66224
Lenz, Melissa Oge'	14865 Brook Hill Dr	Chesterfield, MO 63017
Leonard, Kirk Michael	831 Arbor Chase Drive	Wildwood, MO 63021
Levenson, David Nathan	11 Ridgemoor Drive	Clayton, MO 63105
Locke, Kenneth M.	405 15Th Avenue Ne	St Petersburg, FL 33704
Loftus, Gavin James	11205 Bonham Ranch Road	Dripping Springs, TX 78620
Logan, Neal	904 Jennifer Court	Cleburne, TX 76033
Long, David Earl	16038 S 31St St	Phoenix, AZ 85048
Longenecker, A Janssen	5334 Independence Rd	St Charles, MO 63304
Lord, Robert Joseph	24 Rosemont Ringoes Road	Ringoes, NJ 08551
MacLeod, Darryl John	35 Dufferin Street	St Albert, AB T8N 5R6
Maddox, Rebecca Lea Ann	3002 No Baltimore	Hastings, NE 68901

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.L.P.

## EXHIBIT A

Maddux, Mary Alcott	1712 Christmas Tree Lane	Ponca City, OK 74604
Maitra, Sucharita	521 Cochise Cr	Mississauga, ON L5H 1Y3
Mark L. Felten and Pamela S. Felten Revocable Living Trust	1825 Aston Way	Chesterfield, MO 63005
MATTHEW W. BURKEMPER REVOCABLE TRUST	23 Fieldcrest Drive	Columbia, IL 62236
McBride, Kimberly Renee'	3456 Covington Parkway Avenue	St Charles, MO 63301
McCarey, John David	14008 Eagle St Nw	Andover, MN 55304
McCloud, Lynette Diane	7215 Northmoor Drive	St Louis, MO 63105
McGregor, Robin Bruce	8800 Se Kingswood Way	Damascus, OR 97089
McPhillips, Janesse Kathleen	170 Kingscross Drive	King City, ON L7B 1E6
Mellon, Mark	16300 Fox Creek Forest Dr	Moseley, VA 23120
Meno, John Vanderzicht	20217 Old Burn Road	Arlington, WA 98223
Merianos, Tom Anastasios	5217 Preservation Circle	Mississauga, ON L5M 7T3
Merry L. Mosbacher Revocable Living Trust	1025 Bristol Manor Dr	Ballwin, MO 63011
Michelman, Jeremy Leland	726 N Clay Ave	Kirkwood, MO 63122
Miedler, Andrew Timothy	1069 Del Ebro	Ballwin, MO 63011
Mikula, Matthew James	12002 Wiltshire Place	Town And Country, MO 63131
Miller, Scott Andrew	1603 Misty Hollow Ct	Wildwood, MO 63038
Minehart, Andrew James	11N280 Stonecrest Dr	Elgin, IL 60124
Mirocke Jr, Joseph Anthony	2331 Mohler Drive Nw	North Canton, OH 44720
Murphy, John Kennedy	7974 Claiborne Lane	Inver Grove Heights, MN 55076
Myers, Douglas	6518 204Th Dr Ne	Redmond, WA 98053
Niemann, Timothy John	201 Progress Parkway	Maryland Heights, MO 63043
Noreus, Margaret	1102 Lake Shore Drive	Gladstone, MI 49837
Olsen, James John	12930 S Topping Estates Dr	Town & Country, MO 63131
Olsen, Darin Dee	705 East Columbus Ave	Bellevue, OH 43311
O'Neal, Edward Vazon	4 Wolverton Ct	St Charles, MO 63301
Owen, Philip Daniel	16433 Bayshore Cove Ct	Wildwood, MO 63040
Pamela K. Cavness Revocable Trust	Po Box 124	St Albans, MO 63073
Peel, Lisa Lynn	2167 Riding Trail Dr	Chesterfield, MO 63005

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.P.

## EXHIBIT A

Pennington, Penelope	1206 S Main Street	St Charles, MO 63301
Peterson, Peter Christian	1892 Tahiti Drive	Costa Mesa, CA 92626
Poler, Steven Philip	240 Glenn Ct	Montesano, WA 98563
Portelance, Timothy Paul	174 Magnolia Farms Ln	Moorestville, NC 28117
Posner, Scott Robert	109 Hobson Avenue	St James, NY 11780
Powitzky, Elizabeth Susan	17400 Wildhorse Meadows Ln	Chesterfield, MO 63005
Price Purvis Woodward Revocable Trust	PO Box 585	St Albans, MO 63073-0585
Prucha Living Trust	21122 Atascocita Place	Humble, TX 77346
Purdy, Todd Judson	1457 Carriage Crossing Ln	Chesterfield, MO 63005
Pusateri, Anthony Joseph	2243 Whitby	Chesterfield, MO 63017
Quesenberry, Jeffery Paul	7818 Lake Shore Drive	Owings, MD 20736
Rahal, John F	18017 Tara Woods Court	Chesterfield, MO 63005
Rakow, Christopher Sean	1520 Liberty Street	Franklin, PA 16323
Raley Jr, Ray Wallace	1406 Lake Knoll Dr	Lake St Louis, MO 63367
Rappenecker, Jennifer Hunt	P O Box 2109	Kahului, HI 96733
Rawlins, Mark Aubrey	Po Box 203	Saint Albans, MO 63073
Reed, Justine Louise	44 Benson Avenue	Mississauga, ON L5H 2P4
Reedy, Michelle Lynne	414 Dickson Avenue	St Louis, MO 63122
Reeser, Todd Michael	10809 E 2720 St	Kewanee, IL 61443
Reitschneider, David Lee	821 Timber Lake Drive	Washington, MO 63090
Reis, Michelle Marie	3111 N 80Th Street	Mesa, AZ 85207
Revocable Living Trust Agreement of Timothy J. Kirley	12555 Manchester Road	Des Peres, MO 63131
Revocable Living Trust of Colleen Raley	255 Edwin Ave	St Louis, MO 63122-4719
Revocable Living Trust of Mary Beth Heying	203 Wizard Court	St Charles, MO 63304
Rhodes, Christopher Michael	18430 E Kingbird Drive	Queen Creek, AZ 85242
Rich Miller Revocable Living Trust	7 Marsh Island Ln	Savannah, GA 31411
RICHARD DAVID LINK REVOCABLE LIVING TRUST	2930 Woods Road	Wildwood, MO 63038
Richard Dennis Schachner Revocable Living Trust	1938 Chesterfield Ridge Circle	Chesterfield, MO 63017
Riggan, Timothy Wayne	4406 Round Top Road	Snyder, TX 79549

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.P.

## EXHIBIT A

Riseling, Laurence Craig	403 Carson	Dumas, TX 79029
Ritter, Jennifer Lynn	2705 Kettering Dr	St Charles, MO 63303
Rivard, Jonathan Alexander	32 Cedarbank Cres	Toronto, ON M3B 3A4
Roberts, Wayne A.	7002 E Summit Trail Circle	Mesa, AZ 85207
Roberts-Pitts, Emily	516 Castle Terrace Ct	Ballwin, MO 63021
Rodney T. Bahr Revocable Living Trust	374 Greycliff Bluff Drive	St Louis, MO 63129
RONALD L. GORGEN REVOCABLE TRUST	1509 Carman Glen Court	Manchester, MO 63021
Rovers, Frederick H	31 Northcrest Drive	London, ON N5X 3V7
Rupe Jr, Aubrey Vaughan	9628 Kurre Way	Garden Ridge, TX 78266
S. Matt Heffington and Kristin E. Heffington Revocable Trust	257 Pointe Lansing Court	Ballwin, MO 63021
Saari, Keith Andrew	10127 County Road 43	Mountain, ON K0E 1S0
Sachs, Brian Edward	1020 Nw Regent	Grants Pass, OR 97526
Sahlstrom, Thomas Walter	N5295 North Innsbruck Road	West Salem, WI 54669
Schachner, Robert Thomas	1316 Canterbury Circle	Libertyville, IL 60048
Scheer, Jonathan William	3485 Stone Road	Tell City, IN 47586
Schenk, Peter Carl	1407 Tamarac St	Kingston, ON K7M 7J2
Schettler, Joseph Henry	Po Box 465,5749 185Th	Carlisle, IA 50047
Schloneger, Kevin Scott	8160 Ecole St	Indianapolis, IN 46240
Schreiber, Steven Paul	901 Summit Avenue	New Ulm, MN 56073
Schumacher, Harry Dalton	1038 Kiefer Ridge Dr	Ballwin, MO 63021
Seals, William Christopher	412 West Lawton Circle	Rushville, IN 46173
Sherwood, Steven Francis	1832 Kings Cliff Rd	Kirkwood, MO 63122
Sides, Michael Lee	4015 Austin Dr	St Charles, MO 63304
Simis, Robert Sam	4431 Reedy Creek Road	Bristol, VA 24202
Slein Jr, Robert James	26 Lazarus Way	Salem, NH 03079
Smith, James Frederick	1317 Ardglass Trail	Corinth, TX 76210
Smith, Steven Paul	801 N Taylor Ave	Kirkwood, MO 63122
Snapp, Gregory James	Po Box 31816	St Louis, MO 63131
Soma, Steve Levern	2837 Cresent Dr	McFarland, WI 53558

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## EXHIBIT A

Spanier, Craig	2203 Mariposa Road	Oakville, ON L6M 4S1
Stapleton, Harvey P.	8 Flintridge Rd	Moultrie, GA 31768
Stephen C. Ford Living Trust	PO Box 134	Saint Albans, MO 63073
Stephen R. Seifert Trust	425 Park Ave	Glendale, MO 63122
Steven G. Carani Revocable Living Trust	712 Castle Ridge Dr	Ballwin, MO 63021-4476
Stitt, Terry Richard	990 Arlington Glen Dr	Fenton, MO 63026
Stringfellow, Paul Richard	2200 Sunrise Drive	Belton, TX 76513
Strizic, Derrick Darko	90 Burnhamthorpe Road West, C/O Edward Jones	Mississauga, ON L5B 3C3
Stuerman, Jeffrey Adams	950 Weatherstone Dr	St Charles, MO 63304
Suire, Olen Joseph	50 Glen Cove Dr	Cartersville, GA 30120
Susan S. Venn Revocable Trust	870 Pheasant Woods	St Louis, MO 63021
Sutton, Jenifer L	7607 Yale Court	Frederick, MD 21702
T. William Hizar, Jr. Revocable Trust	14 Algonquin Ln	St Louis, MO 63119
Terry, Daniel S.	5822 Olde Meadow Ct Ne	Rockford, MI 49341
The Andrew Ivan Greenberg Revocable Trust	335 W Woodbine Ave	Kirkwood, MO 63122
The Bradley Family Revocable Trust	295 Larimore Valley Drive	Wildwood, MO 63005
The Brett A. Campbell Revocable Trust	661 E Monroe Ave	Kirkwood, MO 63122
The Charles C. Orban Revocable Trust	1665 Wilson Ave	Chesterfield, MO 63005
The Curtis M. Lasserre and Gail C. Lasserre Revocable Living Trust	14425 S 22Nd Street	Phoenix, AZ 85048
The Daniel W. Miller Trust	6350 Redington Drive Se	Ada, MI 49301
The David R. Wenzel Revocable Trust	222 East Fairway Drive	Belleville, IL 62223
The Hill Revocable Trust	633 West Adams	Kirkwood, MO 63122
The Ken M. Dude Revocable Trust	5 Warridge Dr	Saint Louis, MO 63124
The L.P. Revocable Living Trust	4308 Napa View Lane	Saint Charles, MO 63304
The Lynch Joint Revocable Trust	1165 Miners Run	Rochester, MI 48306
The Mary Burnes Revocable Trust	723 Briar Fork Rd	St Louis, MO 63131
The Norman L. Eaker Revocable Trust	20 Country Club Woods	St Charles, MO 63303
The Revocable Living Trust of Michele Liebman	449 Oakshire Ln	Kirkwood, MO 63122
THE REVOCABLE LIVING TRUST OF TINA BOWLING	1471 Mumma Court	Chesterfield, MO 63005

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.L.P.

## EXHIBIT A

The Revocable Trust Agreement of Michael Dryden Eberhart	1200 Hill St	Petoskey, MI 49770
The Rhonda L. Liesenfeld Revocable Trust	706 Hesemann Ridge Ct	Wildwood, MO 63021
The Robert A. Baldridge Revocable Trust	10586 Sunset Pines Ct	St Louis, MO 63128
The Steven C. Melichar Revocable Living Trust	3305 Gadowall Court	Swansea, IL 62226
The Theresa A. Secrest Revocable Living Trust	256 Towers Creek Pl	St Charles, MO 63304
The Trust of John D. Lee	225 W Jefferson St	Kirkwood, MO 63122
The Vincent A. Vento, Jr. Revocable Trust	121 Kendall Bluff Ct	Chesterfield, MO 63017
Therese M. Schmittgens Revocable Inter Vivos Trust	313 Yorktown Square Ct	St Charles, MO 63303
Thoma, Scott Austin	1337 Renaissance Place	Weldon Spring, MO 63304
Thomas Jr, Ted Robinson	11696 Baseline 2 Road Se	Moses Lake, WA 98837
Thomas P. Curran Revocable Living Trust	530 E Essex Ave	Kirkwood, MO 63122
Thompson, Kristie Sue	1451 E Coconino Drive	Chandler, AZ 85249
Thompson, Ricky Reynolds	124 W Saint James St	Tarboro, NC 27886
Timothy C. Rogers and Kimberly Jo Rogers Revocable Trust	256 Muse Drive	El Dorado Hills, CA 95762
Timothy J. Ney Revocable Trust	13210 Autumn Trails Court	Saint Louis, MO 63141
Timothy Robert Burke Revocable Trust	1 Washington Terrace	St Louis, MO 63112
Tom Migneron Revocable Living Trust	12904 Timmor Court	Town and Country, MO 63131
Tony P. Fulgieri Living Trust	5726 East Lake Rd	Romulus, NY 14541
Trainer, Curtis Lennuel	3102 Emerald Blvd	Kokomo, IN 46902
Trevino, Jose Luis	680 Trestle Glen	Oakland, CA 94610
Tricarico Jr, James A	816 South Hanley Apt 10D	St Louis, MO 63105
Trimble, Sheila Kristine	8330 University Dr	Clayton, MO 63105-3640
Tucker, Suzanne Frances	22640 Tomball Cemetery Road	Tomball, TX 77377
Twohig, Jeffrey William	705 Spanish Peaks Drive	Missoula, MT 59803
Van Buskirk, David Michael	4141 Roberts Road	Grapevine, TX 76051
Van Genderen, Scott D	12850 Westledge Lane	Des Peres, MO 63131
Vanderburgh, Diane Bohaker	12000 North 119Th Street	Scottsdale, AZ 85259
Vanselow, Debbi Asmund	3406 NW 60Th St	Seattle, WA 98107
Vincent J. Ferrari Living Trust	Po Box 411	St Albans, MO 63073

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.P.

## EXHIBIT A

Wall, Ola Antonia	90 Banbury Road	Toronto, ON M3B 2L3
Wallen, Christopher Francis	5637 W Molly Lane	Phoenix, AZ 85083
Waller, Bruce Curtis	112 S Water West	Fort Atkinson, WI 53538
Weber, Donald Erwin	2352 Farm Road 1063	Monett, MO 65708
Weeast Sr, Jeffrey Dean	555 Fairway Drive	Liberal, KS 67901
Wernys, Cynthia Ann	411 Arbolada Drive	Los Altos, CA 94024
Wendell E. Jones, Jr. Trust	824 Mohawk Drive	Florence, SC 29501
Werth, Timothy James	22985 Bouquet Canyon	Mission Viejo, CA 92692
Westfall, John A.	2503 Wagon Trail Rd Se	Cedar Rapids, IA 52403
White, Paul David	1403 County Side Bend	Fredericksburg, TX 78624
Whitman, Wendell Warren	604 Valencia Drive	Boulder City, NV 89005
Wicks, Vickie V	2701 Bocage Lane	Lake Charles, LA 70605
Wilks, Syrrrel Christian	7895 Yellowwood Drive	Mason, OH 45040
William E. Fiala Trust	411 Conway Aire	Saint Louis, MO 63141
William Jordan Welborn Revocable Living Trust	12430 Ballas Trails	St Louis, MO 63122
William Thomas Dwyer, Jr. 2004 Revocable Living Trust	PO Box 694	Salem, IL 62881
Williams III, Robert West	3339 Hwy Ft	Eureka, MO 63025
Williams, Amy L.	17839 Westhampton Woods Dr	Wildwood, MO 63005
Williams, Michael Ricardo	4204 Millers Ridge	Cottleville, MO 63304
Williams, Robert Dwayne	908 Turnberry	Southlake, TX 76092
Williams, Terrence Patrick	926 Oleander	Lake Jackson, TX 77566
Willingham, Thomas James	Apt L 101, 725 N Center Pkwy	Kennewick, WA 99336
Wilson, James Scott	6485 Seaside Dr	Loveland, CO 80538
Wise, Kellie Taylor	5989 West Potter Drive	Glendale, AZ 85308
Woodward, Kathryn Ann	9955 E Cinnabar Ave	Scottsdale, AZ 85258
Wright, Michael James	1550 Little Willow	Morris, IL 60450
Young, David L	2204 Sycamore Dr	Chesterfield, MO 63017

Exhibit A to the Nineteenth Restated Certificate of Limited Partnership of The Jones Financial Companies, L.L.P.

**FIRST AMENDMENT OF NINETEENTH RESTATED  
CERTIFICATE OF LIMITED PARTNERSHIP  
OF  
THE JONES FINANCIAL COMPANIES, L.L.L.P.**

The undersigned, for the purpose of amending the Nineteenth Restated Certificate of Limited Partnership under the Missouri Uniform Limited Partnership Law, states the following:

- (1) The name of the limited partnership is The Jones Financial Companies, L.L.L.P., and the limited partnership's charter number is LP0000443.
- (2) The partnership filed the Nineteenth Restated Certificate of Limited Partnership with the Missouri Secretary of State on July 21, 2014.
- (3) The Nineteenth Restated Certificate of Limited Partnership is hereby amended to reflect the partner withdrawals and admissions attached hereto on Exhibit A effective as of the dates listed on Exhibit A.

Upon the admissions and withdrawals of said partners, the number of general partners is 373.

In affirmation thereof, the facts stated above are true.

Dated: August 21, 2014

General Partner:

By /s/ James D. Weddle  
James D. Weddle  
Managing Partner/Authorized Person/Attorney-in-Fact

**EXHIBIT A**

<b>Withdrawn General Partners:</b>				
<b>Partner Name</b>	<b>Date Withdrawn as General Partner</b>	<b>Address 1 &amp; 2</b>	<b>City, State &amp; Zip</b>	
Steven Thomas Anderson	8/01/2014	86 Homefield Square Ct.	O'Fallon, MO 63366	
<b>Admitted General Partners:</b>				
<b>Partner Name</b>	<b>Date Admitted as General Partner</b>	<b>Address 1 &amp; 2</b>	<b>City, State &amp; Zip</b>	

**SECOND AMENDMENT OF NINETEENTH RESTATED  
CERTIFICATE OF LIMITED PARTNERSHIP  
OF  
THE JONES FINANCIAL COMPANIES, L.L.L.P.**

The undersigned, for the purpose of amending the Nineteenth Restated Certificate of Limited Partnership under the Missouri Uniform Limited Partnership Law, states the following:

- (1) The name of the limited partnership is The Jones Financial Companies, L.L.L.P., and the limited partnership's charter number is LP0000443.
- (2) The partnership filed the Nineteenth Restated Certificate of Limited Partnership with the Missouri Secretary of State on July 21, 2014.
- (3) The Nineteenth Restated Certificate of Limited Partnership is hereby amended to reflect the partner withdrawals and admissions attached hereto on Exhibit A effective as of the dates listed on Exhibit A.

Upon the admissions and withdrawals of said partners, the number of general partners is 372.

In affirmation thereof, the facts stated above are true.

Dated: September 22, 2014

**General Partner:**

By /s/ James D. Weddle  
James D. Weddle  
Managing Partner/Authorized Person/Attorney-in-Fact

**EXHIBIT A**

<b>Withdrawn General Partners:</b>			
<b>Partner Name</b>	<b>Date Withdrawn as General Partner</b>	<b>Address 1 &amp; 2</b>	<b>City, State &amp; Zip</b>
William Christopher Seals	9/01/2014	412 West Lawton Circle	Rushville, IN 46173
<b>Admitted General Partners:</b>			
<b>Partner Name</b>	<b>Date Admitted as General Partner</b>	<b>Address 1 &amp; 2</b>	<b>City, State &amp; Zip</b>

## CHIEF EXECUTIVE OFFICER CERTIFICATION

I, James D. Weddle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Jones Financial Companies, L.L.L.P. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ James D. Weddle  
\_\_\_\_\_  
Chief Executive Officer  
The Jones Financial Companies, L.L.L.P.  
November 7, 2014



## CHIEF FINANCIAL OFFICER CERTIFICATION

I, Kevin D. Bastien, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Jones Financial Companies, L.L.L.P. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Kevin D. Bastien  
\_\_\_\_\_  
Chief Financial Officer  
The Jones Financial Companies, L.L.L.P.  
November 7, 2014

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of The Jones Financial Companies, L.L.P. (the "Registrant") on Form 10-Q for the period ending September 26, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James D. Weddle, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ James D. Weddle  
Chief Executive Officer  
The Jones Financial Companies, L.L.P.  
November 7, 2014

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of The Jones Financial Companies, L.L.L.P. (the "Registrant") on Form 10-Q for the period ending September 26, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin D. Bastien, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Kevin D. Bastien  
Chief Financial Officer  
The Jones Financial Companies, L.L.L.P.  
November 7, 2014