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Edward Jones®

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Via email to rule-comments@sec.gov

Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Expanding the Lost and Stolen Securities Program

Dear Ms. Murphy:

Edward Jones appreciates the opportunity to comment on one of the numerous efforts the SEC must undertake as it relates to the Dodd-Frank Wall Street Reform and Consumers Protection Act ("Dodd-Frank Act").

Introduction

Edward Jones is one of the largest financial services firms in the United States serving the needs of over 6 million individual investors. As such, we receive and process a high volume of physical certificates. Last year alone, we processed approximately 200,000 certificates on behalf of our clients. Regrettably, over 1,000 of them turned out to be invalid because of various conditions which include but are not limited to: previously reported as lost / stolen and replaced; escheated; previously exchanged or redeemed through a corporate action; or not on the registrar's records. It should be further noted that we have experienced similar results over the course of many years.

Background

The Securities Information Center (SIC) plays an important role for the industry by providing an "early warning" mechanism that can identify a potentially defective certificate shortly after it has been presented by the alleged shareholder. Its original role in 1977 was to help eliminate illegal trafficking of lost, stolen, missing, and counterfeit items through the use of a certificate level repository that could be utilized by financial services firms. Over time, the data has been broadened by many of the reporting organizations, albeit on a voluntary basis, to include other invalid certificates including those that have been cancelled.

General Comments

Edward Jones, as well as other firms that deal with individual investors, frequently has clients deposit shares into their accounts and then sell them, assuming in good faith, that they are good certificates. Typically we find out the next day through SIC that certain shares are no longer valid due to one of the aforementioned reasons. We remedy the situation quickly by covering the sold shares in the marketplace before the original trade even settles. Oftentimes, it's a simple case of the client or their heirs, failing to recognize that the shares they presented had been previously reported as lost and replaced. Edward Jones considers SIC's ability to provide this timely information as a huge value-added service for not only the investor and our firm but the entire financial services community. Furthermore, it is our belief that the more known defective items that are populated in the SIC database, the better the overall risk mitigation which benefits all parties.

Dodd-Frank Act Comments

Section 929D of the Dodd-Frank Act amends Section 17(f)(1) of the Securities Exchange Act of 1934 to expand the Lost and Stolen Securities Program (LSSP) by including "cancelled" certificates. Edward Jones wholeheartedly endorses this expansion and believes it is a logical step towards minimizing the effect of problematic certificates in our markets. It is also our judgment that implementation should not place an undue burden on industry participants because the reporting infrastructure is already in place, and many if not most firms are already complying voluntarily.

In closing, we fully recognize the enormous responsibilities that have been assigned to the Commission in response to the enactment of Dodd-Frank. At the same time, we strongly encourage you to implement the necessary changes at your earliest convenience as we feel the overall benefits to all parties far outweigh the effort required.

Respectfully Submitted,

Thomas J. O'Hara
Department Leader
Securities Processing

cc: Norman Eaker, Edward Jones
cc: Thomas Migneron, Edward Jones
cc: James Tricarico, Jr., Edward Jones